S4348-2-U

Comprehensive Annual Financial Report 1986

MISSISSIPPI

Fiscal Year Ended June 30, 1986

Office of the State Auditor
Post Office Box 956
Jackson, Mississippi 39205

Ray Mabus
State Auditor

State Fiscal Management Board
Post Office Box 267
Jackson, Mississippi 39205

Thomas H. Campbell, III
State Fiscal Officer

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STATE OF MISSISSIPPI
FISCAL MANAGEMENT BOARD

JOHN S. CALLON
Natchez

BILL ALLAIN
Governor

THOMAS H. CAMPBELL, III
State Fiscal Officer

MIKE P. STURDIVANT
Glendora

December 31, 1986

To The Governor, Members of the Legislature and
Citizens of the State of Mississippi:

It is my pleasure to transmit to you the Comprehensive Annual Financial Report of the State of Mississippi for the year ended June 30, 1986, in accordance with Section 27-104-4, Miss. Code Ann. (1972). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the State. I believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to set forth the financial position and results of operations of the State as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable a reader to gain maximum understanding of the State's financial activities have been included.

Mississippi is one of only fifteen states to publish an audited Comprehensive Annual Financial Report. Our State's decision to devote considerable resources to this effort is a result of our willingness to provide users of financial statements, including taxpayers, public officials, members of the media, and the investment community, with complete and full disclosure of Mississippi's financial position and to improve the ability of state officials to evaluate the financial condition of our State.

This report represents the first Comprehensive Annual Financial Report of the State of Mississippi which has been prepared in conformance with generally accepted accounting principles (GAAP). As such, it presents the combined financial position and results of operations of the State as a whole in a manner which can be compared to future reports and to similar reports of other states to identify relevant trends and changes.

For fiscal year 1986, the financial statements were compiled by the State Auditor's office from information prepared by the individual state agencies. Each agency director or chief fiscal officer has accepted responsibility for the accuracy and completeness of the financial information presented by their respective agency. The State Fiscal Management Board has reviewed and verified the compilation of the general purpose financial statements and of the related combining statements.

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P.O. BOX 267 • JACKSON, MS 39205 • (601) 359-3402

Report Structure

The 1986 Comprehensive Annual Financial Report is comprised of three sections as recommended by the Governmental Accounting Standards Board: an introductory section which provides condensed financial data and narrative commentary on matters of interest to the reader; a financial section which includes the auditor's report, audited general purpose financial statements which present an overview of the State's financial position and operations, and underlying combining and individual fund financial statements and supporting schedules; and a statistical section, which sets forth unaudited supplementary demographic and economic data that provides information regarding the general economic condition of the State. The Notes to the Financial Statements presented within the general purpose financial statements are an integral part of the Comprehensive Annual Financial Report.

Financial and Accounting System

The Governmental Accounting Standards Board was established to promulgate GAAP with respect to activities and transactions of state and local governmental entities. The State of Mississippi supports the efforts of the Governmental Accounting Standards Board and will continue to adopt and practice accounting principles in accordance with its pronouncements as they are released. As an indication of the State's commitment to GAAP, the 1984 Legislature enacted laws requiring the State Fiscal Management Board to prescribe GAAP guidelines for state agencies, and the 1986 Legislature codified into state statute the requirement for a Comprehensive Annual Financial Report to be published no later than December 31 of each year.

The State's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recorded when measurable and available and expenditures recorded when services or goods are received and the liabilities incurred. Accounting records for expendable trust and agency funds are similarly maintained. The State's proprietary, nonexpendable trust and pension trust funds are accounted for on the accrual basis. The financial statements of the university funds have been prepared in conformity with GAAP as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants.

In developing and modifying the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within this framework. I believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Major fiscal responsibilities within the State of Mississippi are segregated among the following elected and appointed officials:

State Fiscal Management Board - The State Fiscal Management Board is responsible for providing financial policy guidelines, developing the executive budget, collecting financial data from individual agencies, development and enforcement of allotment control procedures, and compiling financial statements in conformance with generally accepted accounting principles.

State Auditor - The State Auditor, an elected official, is responsible for annually auditing the statewide combined financial statements prepared by state agencies and the State Fiscal Management Board.

State Treasurer - The State Treasurer, an elected official, is responsible for formulating and executing policy for the management of the State Treasury and depositing and investing state funds.

State Agencies - Agency directors are responsible for administering their agencies in accordance with legislative and executive mandates and for preparing the general ledger trial balance, which includes individual accounting entries, and reports of revenues, expenditures, and fixed assets.

Budget Appropriation

The State's annual budget is prepared principally on the cash basis, which differs from generally accepted accounting principles. Under the cash basis, revenues and expenditures are recorded at the time cash is actually received or disbursed in accordance with the provisions of the appropriation acts. The level of budgetary control is at the agency level by organizational activity and generally by major object of expenditure classification.

Mississippi state law requires both the Governor and the Legislative Budget Office to prepare and submit to the Legislature at the beginning of each annual session an overall balanced budget for the ensuing fiscal year. The Legislature compares these budgets, makes any revisions it deems necessary or appropriate, and legally enacts an annual State budget through passage of specific departmental appropriation acts by organizational activity and major expenditure classification. The Governor has the power to approve or veto each appropriation bill in total or in its separable parts. Vetoes are subject to legislative override.

Reporting Entity

In previous years, financial statements were not prepared for state government as a whole, but rather on the individual state agencies. This Comprehensive Annual Financial Report reverses that concept and presents information on the financial position and operations of state government as one reporting entity. The various agencies, departments, boards, commissions and funds of Mississippi's state government which constitute the state reporting entity are governed by criteria established by the Governmental Accounting Standards Board. As more fully described in Note 1B, the criteria include selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of pubic service, and/or special financing relationships.

Universities are reported in a "discrete presentation" as a separate fund category on the balance sheet. University Funds Combined Balance Sheet and Combined Statement of Revenues, Expenditures, Interfund Transfers, Operating Transfers, and Changes in Fund Balances are presented separately in conformity with applicable generally accepted accounting principles within the general purpose financial statements.

General Government Functions

Most state functions are financed through the governmental fund types, which include the general, special revenue, capital projects, and debt service funds and which are presented on a modified accrual basis of accounting. Revenues on this basis are recognized when they are both measurable and available to finance current expenditures. Revenues from governmental fund type sources for fiscal year 1986 were as follows:

Revenues by Source	Actual	Percentage of Total
State taxes	$1,914,287,342	54.15%
Licenses, fees and permits	63,921,086	1.81%
Interest on investments	49,049,931	1.39%
Federal government	1,281,374,588	36.24%
Departmental services	144,081,738	4.07%
Other	82,723,629	2.34%
	$3,535,438,314	100.00%

Expenditures for governmental fund types are presented on the modified accrual basis of accounting, which recognizes the expenditures when the goods or services are actually received, regardless of the timing of the payment for the goods or services. Expenditures for major governmental fund type functions in fiscal year 1986 were as follows:

Expenditures by Function	Actual	Percentage of Total
General government	$ 522,687,308	16.28%
Education	926,116,360	28.85%
Health and social services	1,034,430,342	32.22%
Law, justice and public safety	131,704,075	4.10%
Recreation and resources development	71,823,984	2.24%
Regulation of business and professions	11,991,342	.37%
Transportation	403,514,955	12.57%
Debt service	83,245,293	2.60%
Capital outlay	24,821,686	.77%
	$3,210,335,345	100.00%

The most significant increase in expenditures over the prior fiscal year is in the area of education. Expenditures for education show an increase of 15% over fiscal year 1985. The majority of this increase is due to an increase of $2,400 in the base salaries of teachers.

This report reflects a stable financial position for the State. Under the budgetary basis of accounting, Mississippi's performance resulted in a combined General Fund and Special Fund cash balance of $189 million at June 30, 1986. Under GAAP, Mississippi's performance resulted in a total governmental GAAP fund type balance of $645 million, of which $224 million was unreserved and undesignated.

Debt Administration

The State Bond Commission, comprised of the Governor, State Attorney General and State Treasurer, approves and authorizes the sale and issuance of all bonds in accordance with authorizing legislation and within defined constitutional debt limit. The total outstanding general obligation bonded indebtedness of governmental fund types for the State as of June 30, 1986, was $425,419,155, which is 13.19% of the $3,225,621,000 bonded indebtedness ceiling established by the State constitution. Mississippi currently has a Aa rating from Moody's Investors Services and a AA- rating from Standard and Poor's Corporation.

During the fiscal year ended June 30, 1986, the State Bond Commission took actions which led to a reduction of outstanding highway bond indebtedness from more than $454 million to approximately $205 million. This refunding transaction will have a cash savings of more than $54 million in future debt service payments.

Cash Management

It is the duty of State Treasurer and the State Fiscal Officer, on or before the tenth day of each month and at any other time when necessary, to analyze the amount of cash in the State General Fund and in the Special Funds credited to any special purpose designated by the Legislature. They also determine when the cash in such funds is in excess of the amount needed to meet current needs. The State Treasurer's office in turn deposits such excess funds with official depositories of the State. Short-term certificates of deposit are purchased at a rate of interest which is statutorily required to be numerically equal to the discount rate on United States Treasury bills of comparable maturity and are fully collateralized.

There are two funds, the General Fund Stabilization Reserve Fund and the General Fund Reserve Fund, in which certain surplus monies are deposited and may be appropriated by the Legislature to meet unforeseen revenue shortfalls occurring during the next fiscal year. In addition, there is a Working Cash Balance Revolving Fund with a minimum balance of $31 million that the State Treasurer may draw upon to meet cash flow needs.

Pension Trust Funds

Total assets of the State's two pension trust funds amounted to $3 billion at June 30, 1986. The latest actuarial valuation of the pension plans, prepared as of June 30, 1986, indicated that the actuarial present value of accumulated plan benefits exceeded net assets (market value) of those funds at that date by $214.7 million. The actuarial report noted that progress in funding continued and that the unfunded liability liquidation periods of the Public Employees' Retirement System and of the Mississippi Highway Safety Patrol Retirement System are 14 and 16 years, respectively, as of June 30, 1986.

Proprietary Funds

Combined operating revenues for the State's enterprise funds were $100 million for the 1986 fiscal year. Combined operating expenses were $94 million during the same period. The Mississippi Housing Finance Corporation, created to provide housing loans to lower and moderate income citizens, again paced the enterprise fund activity ($63 million and $55 million in operating revenues and expenses, respectively). Outstanding enterprise fund bonds at June 30, 1986 totaled $590 million, consisting of $23 million in general obligation bonds and $567 million in revenue bonds.

General Fixed Assets

The general fixed assets of the State are those fixed assets used in the performance of general governmental functions. They exclude the fixed assets of the enterprise, internal service, nonexpendable trust and university funds. An inventory of all State-owned land and buildings is continuously maintained by the State Auditor's office; the inventory of selected agencies is audited on a random basis throughout the year. As of June 30, 1986, the State's general fixed assets amounted to $681 million.

University Funds

University current funds revenues were $360 million in 1986. State appropriations to these funds were $273 million. Current fund expenditures, mandatory transfers and other transfers were $600 million, $8.7 million and $7.9 million, respectively. Student loans outstanding at June 30, 1986, primarily from federal government sources, totaled $43 million. Total assets of the endowment and similar fund groups in 1986 were $12 million. University fund bonded debt outstanding at June 30, 1986, was $34 million consisting of $13 million in general obligation bonds and $21 million in revenue bonds.

Significant Recent Events

On October 1, 1986, the Department of Public Accounts transferred from the State Auditor to the State Fiscal Management Board. This discrete agency of state government has the responsibility of preauditing all invoices and supporting documents, issuing the state warrants for payment of the legal debts of the State and maintaining the consolidation of cash revenues and expenditures of the State. Additional duties assumed by the State Fiscal Management Board on October 1, 1986 include prescribing and implementing an accounting system using GAAP and the compilation of the Comprehensive Annual Financial Report.

In fiscal year 1986, the Legislature expanded the authority of the Governor and State Fiscal Officer to reduce budgets pursuant to Sections 27-104-13 and 31-17-123, Miss. Code Ann. (1972). Section 27-104-13 permits the reduction of budgets if it is found that "funds will not be available within the period for which the budget is drawn", while Section 31-17-123 requires that the budget be reduced if general fund revenues fall below 98% of the sine die estimate at the end of October or any month thereafter. Prior to 1986, general funds were subject to budget reduction while special funds were not. The 1986 amendments made state source special funds and the "administration and other expenses" budget of the Highway Department subject to reduction. Federal funds, local-source funds, self-generated funds of universities, fiduciary funds, wildlife fees, and funds of regulatory boards remain excluded from budget reductions.

The 1986 Legislature passed two other changes in the budget process:

(1) The FY 1988 budget recommendation of both the Governor and the Legislative Budget Office must be presented to the Legislature as a single budget document.

(2) For FY 1989, the budget recommendation of both the Governor and the Joint Legislative Budget Committee must be submitted to the Legislature "in an agency program" format. Program budgeting will allow the Legislature and other decision makers to make more informed judgements about the services being provided by state government.

Prospects for the Future

A task force of fourteen state agencies studied and reviewed the features desired in a central automated accrual accounting system for use by state agencies. The outcome of the task force was the specifications for data processing software for the implementation of a comprehensive, multi-user, agency-based financial management system that processes and produces information based on GAAP as applied to governmental entities and conforms to all state regulations using multiple bases of accounting: cash basis for budget reporting; GAAP basis for financial reporting; and both for grant reporting.

In November of 1986 with the approval of the Governor, the State Auditor and the Central Data Processing Authority, the State Fiscal Management Board entered into a contract with a certified public accounting firm to develop and install an automated accrual accounting system. The accounting subsystems purchased include purchasing, accounts payable, fixed assets, billing, accounts receivable, general ledger/financial reporting, budget preparation, and a report writer. Other areas which will be covered by the subsystems are grant accounting, CAFR reporting and project/program accounting. The accounting system is presently being adapted for use in three state agencies, the Department of Education, the Central Data Processing Authority and Disability Determination Services, as well as the Financial Control Department of the State Fiscal Management Board. Implementation of the project is scheduled to end in December 1987.

Audit

Pursuant to Section 7-7-211(d), Miss. Code Ann. (1972), the State Auditor has performed an examination, in accordance with generally accepted auditing standards, of the State's combined financial statements. His unqualified opinion is presented as the first page of the financial section of this report. In prior years, the State Auditor opined separately on the financial statements of individual state agencies; separate agency financial statements are not required and will not be published beginning for fiscal year 1986 except in certain special circumstances.

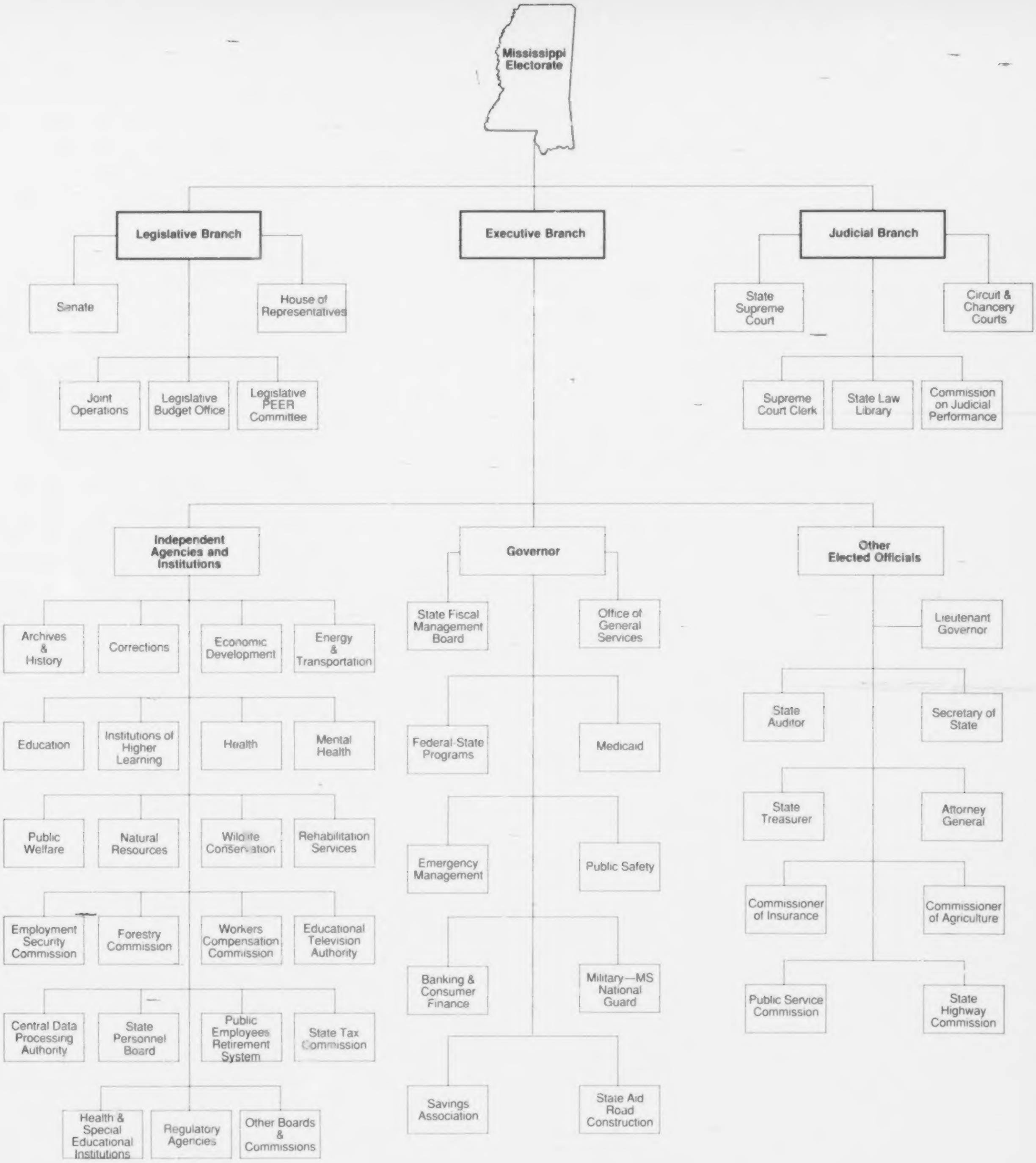
As required by federal law, the State Auditor has undertaken a single audit of the State as a whole, which will include a legal compliance report on all federal funds received and expended by state government. This report, including the Schedule of Federal Financial Assistance received by the State, and comments on internal accounting controls and compliance with laws, rules and regulations, will be published separately.

Sincerely,

Thomas H. Campbell, III
State Fiscal Officer

State of Mississippi

Organization Chart


Mississippi Electorate
Legislative Branch
Executive Branch
Judicial Branch
Senate
House of Representatives
Joint Operations
Legislative Budget Office
Legislative PEER Committee
State Supreme Court
Circuit & Chancery Courts
Supreme Court Clerk
State Law Library
Commission on Judicial Performance
Independent Agencies and Institutions
Governor
Other Elected Officials
Archives & History
Corrections
Economic Development
Energy & Transportation
Education
Institutions of Higher Learning
Health
Mental Health
Public Welfare
Natural Resources
Wildlife Conservation
Rehabilitation Services
Employment Security Commission
Forestry Commission
Workers Compensation Commission
Educational Television Authority
Central Data Processing Authority
State Personnel Board
Public Employees Retirement System
State Tax Commission
Health & Special Educational Institutions
Regulatory Agencies
Other Boards & Commissions
State Fiscal Management Board
Office of General Services
Federal-State Programs
Medicaid
Emergency Management
Public Safety
Banking & Consumer Finance
Military—MS National Guard
Savings Association
State Aid Road Construction
Lieutenant Governor
State Auditor
Secretary of State
State Treasurer
Attorney General
Commissioner of Insurance
Commissioner of Agriculture
Public Service Commission
State Highway Commission

Officials of State Government

Executive Branch

Governor
Bill Allain

Lieutenant Governor
Brad Dye

Secretary of State
Dick Molpus

State Auditor
Ray Mabus

State Treasurer
William J. Cole, III

Attorney General
Edwin Lloyd Pittman

Commissioner of Agriculture and Commerce
Jim Buck Ross

Commissioner of Insurance
George Dale

State Highway Commissioners
Bob Joiner
Zach Stewart
Sam W. Waggoner

State Public Service Commissioners
Nielsen Cochran
Lynn Havens
D. W. Snyder

State Fiscal Officer
Thomas H. Campbell, III

Governor's Office of General Services
James I. Palmer, Jr., Director

Governor's Office of Federal-State Programs
Beverly W. Hogan, Executive Director

Legislative Branch

Speaker of the House of Representatives
C. B. Newman

President Pro Tempore of the Senate
Glen S. Deweese

Secretary of the Senate
Charles H. Griffin

Clerk of the House of Representatives
Charles J. Jackson, Jr.

Legislative Budget Office
Robert A. Greenlee, Director

Joint Legislative Committee on Performance Evaluation and Expenditure Review
John W. Turcotte, Director

Judicial Branch

Supreme Court of Mississippi

Chief Justice
Harry G. Walker

Presiding Justice
Roy N. Lee

Presiding Justice
Armis E. Hawkins

Justice
Dan M. Lee

Justice
Lenore L. Prather

Justice
James L. Robertson

Justice
Michael Sullivan

Justice
Reuben Anderson

Justice
J. Ruble Griffin

Clerk of the Supreme Court of Mississippi
Sue Gordon

STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR

December 5, 1986

RAY MABUS
STATE AUDITOR

POST OFFICE BOX 956
JACKSON, MISSISSIPPI 39205-0956
(601) 359-3561

The Governor, Members of the Legislature
and Citizens of the State of Mississippi

We have examined the general purpose financial statements of the State of Mississippi as of and for the year ended June 30, 1986, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements of the State of Mississippi referred to above present fairly the financial position of the State of Mississippi at June 30, 1986, and the results of its operations and the changes in financial position of its proprietary fund types and its nonexpendable and pension trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the presentation of the combined financial statements of the State of Mississippi in accordance with National Council of Governmental Accounting Statement 3, "Defining the Governmental Reporting Entity", as recognized by the Governmental Accounting Standards Board Statement 1, and to the changes, with which we concur, in the method of accounting for the accrual of income tax refunds, for the recognition of a receivable for a direct financing lease, and for certain other adjustments, all as described in Note 3 to the financial statements.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and related schedules are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Mississippi. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical and economic data listed in the table of contents were not audited by us, and accordingly, we do not express an opinion thereon.

Ray Mabus

RAY MABUS
State Auditor

RM:llh

General Purpose Financial Statements

All Fund Types and Account Groups

Combined Balance Sheet
June 30, 1986

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets:				
Cash and cash equivalents	$ 395,857,102	$ 87,234,299	$ 69,500,023	$ 19,895,396
Amount on deposit with U.S. Treasury				
Investments		2,150,000	22,700,999	
Collateral held under reverse repurchase agreements				
Receivables, net	270,405,985	19,148,633	1,703,764	
Interfund receivables	5,382,400	7,431,336	3,458,245	2,777,193
Inventories	93,407,396	696,350		
Prepaid expenses				
Loans and notes receivable		1,122,054	77,365,000	
Loans to other funds				
Due from other governments				
Restricted assets				
Property, plant and equipment, net				
Deferred charges and other assets		51,296		
Amount available in debt service fund				
Amount to be provided for:				
Retirement of general obligation bonds				
Retirement of limited obligation bonds				
Retirement of other obligations				
Total Assets, Amounts Available and Amounts to be Provided for Retirement of Long-term Obligations	$ 765,052,883	$ 117,833,968	$ 174,728,031	$ 22,672,589
Liabilities:				
Warrants payable	$ 69,682,906	$ 10,143,126	$ 631,889	$ 440,375
Accounts payable and accruals	113,743,711	5,302,365	6,000	
Income tax refunds payable	56,000,000			
Due to other governments	47,512,766	14,333,191		
Interfund payables	10,785,479	9,238,211	288,508	
Amounts held in custody for others				
Obligations under reverse repurchase agreements				
Deferred revenues	80,323,687	14,041,862		
Loans and notes payable				
Loans from other funds	2,800,000			
General obligation bonds payable				
Limited obligation bonds payable				
Revenue bonds payable				
Other obligations		13,524		
Total Liabilities	380,848,549	53,072,279	926,397	440,375
Fund Equity:				
Contributed capital				
Investment in fixed assets				
Retained earnings:				
Reserved for:				
Bond retirement				
Other				
Unreserved				
Fund balances:				
Reserved for:				
Encumbrances	13,954,063	2,687,621		
Inventories	28,471,443	696,350		
Long-term portion of:				
Receivables		848,966		
Loans and notes receivable	5,629,292		72,325,759	
Pension benefits				
Other specific purposes		11,065		
Unreserved:				
Designated for debt service			101,475,875	
Designated for highway construction	117,247,126			
Designated for other specific purposes	55,443,662	292,780		22,232,214
Undesignated	163,458,748	60,224,907		
Total Fund Equity	384,204,334	64,761,689	173,801,634	22,232,214
Total Liabilities and Fund Equity	$ 765,052,883	$ 117,833,968	$ 174,728,031	$ 22,672,589

The accompanying notes to the financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types		Account Groups		
Enterprise	Internal Service	Trust and Agency	**University**	General Fixed Assets	General Long-term Obligations	**Total (Memorandum Only)**
$ 39,232,292	$ 6,719,351	$ 291,089,233	$ 95,197,208	$	$	$ 1,004,724,904
		359,809,752				359,809,752
176,201,527		2,412,186,806	14,788,289			2,628,027,621
		348,125,534				348,125,534
37,624,411	43,236	151,516,946	48,639,859			529,082,834
493,317	1,116,576	76,142,637	11,357,951			108,159,655
3,218,784			10,977,480			108,300,010
118,581	15,223		2,923,455			3,057,259
429,997,456			43,471,103			551,955,613
		2,800,000				2,800,000
26,951,435						26,951,435
309,481	2,170,149					2,479,630
33,927,529	6,388,773	4,520,466	676,901,331	680,710,372		1,402,448,471
1,793,326			73,346,728			75,191,350
					173,801,634	173,801,634
					101,834,945	101,834,945
					149,782,576	149,782,576
					39,196,182	39,196,182
$ 749,868,139	$ 16,453,308	$ 3,646,191,374	$ 977,603,404	$ 680,710,372	$ 464,615,337	$ 7,615,729,405
$ 452,026	$ 502,315	$ 2,881,551	$ 3,392,133	$	$	$ 88,126,321
24,203,236	1,493,992	45,527,884	19,187,266			209,464,454
						56,000,000
400,000		30,111,912				92,357,869
213,763	2,497,919	73,570,189	11,565,586			108,159,655
		112,509,144	2,953,935			115,463,079
		348,125,534				348,125,534
2,529,963		554,990	12,232,098			109,682,600
1,298,658			10,189,518			11,488,176
						2,800,000
22,987,000			13,258,000		216,348,000	252,593,000
					209,071,155	209,071,155
567,444,272			20,837,000			588,281,272
609,049	3,056,316	5,793	8,049,615		39,196,182	50,930,479
620,137,967	7,550,542	613,286,997	101,665,151		464,615,337	2,242,543,594
8,750,034						8,750,034
			696,696,280	680,710,372		1,377,406,652
726,171						726,171
996,061						996,061
119,257,906	8,902,766					128,160,672
						16,641,684
						29,167,793
						848,966
						77,955,051
		2,591,760,282				2,591,760,282
		439,543,346	108,476,528			548,030,939
						101,475,875
						117,247,126
						77,968,656
		1,600,749	70,765,445			296,049,849
129,730,172	8,902,766	3,032,904,377	875,938,253	680,710,372		5,373,185,811
$ 749,868,139	$ 16,453,308	$ 3,646,191,374	$ 977,603,404	$ 680,710,372	$ 464,615,337	$ 7,615,729,405

All Governmental Fund Types and Expendable Trust Funds

Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1986

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	$ 1,914,112,342	$ 175,000	$	$
Licenses, fees and permits	34,313,177	29,319,369	15,000	273,540
Employer premiums				
Federal government	968,121,290	313,249,514		3,784
Interest	32,953,701	2,059,581	14,036,649	
Departmental services	142,240,826	1,840,912		
Rentals	3,822,900	516,112		
TVA payments in lieu of taxes			11,249,406	
Court assessment		28,378,643		
Other	34,280,885	4,396,235	79,448	
Total Revenues	3,129,845,121	379,935,366	25,380,503	277,324
Expenditures:				
Current:				
General government	422,054,747	100,632,561		
Education	833,327,969	92,788,391		
Health and social services	954,551,321	79,879,021		
Law, justice and public safety	118,583,693	13,120,382		
Recreation and resources development	53,813,715	18,010,269		
Regulation of business and professions		11,991,342		
Transportation	396,192,813	7,322,142		
Debt service:				
Principal	8,266,212		40,058,213	
Interest and other fiscal charges	2,067,461		32,853,407	
Capital outlay				24,821,686
Total Expenditures	2,788,857,931	323,744,108	72,911,620	24,821,686
Excess of Revenues over (under) Expenditures	340,987,190	56,191,258	(47,531,117)	(24,544,362)
Other Financing Sources (Uses):				
Proceeds from general obligation bond issues			196,426,254	2,200,000
Payments to refunded bond escrow agent			(313,279,323)	
Reduction in carrying value of investment securities in connection with bond refunding			(31,969,458)	
Operating transfers in (out)	(341,743,488)	(31,520,902)	65,437,184	22,032,322
Net Other Financing Sources (Uses)	(341,743,488)	(31,520,902)	(83,385,343)	24,232,322
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(756,298)	24,670,356	(130,916,460)	(312,040)
Fund Balances July 1, 1985, as Previously Reported	452,519,323	43,587,060	220,903,054	22,544,254
Restatement of Fund Balances (Note 3)	(65,960,414)	(3,579,811)	83,815,040	
Fund Balances July 1, 1985, as Restated	386,558,909	40,007,249	304,718,094	22,544,254
Increase (Decrease) in Reserve for Inventories	(1,598,277)	84,084		
Fund Balances June 30, 1986	$ 384,204,334	$ 64,761,689	$ 173,801,634	$ 22,232,214

The accompanying notes to the financial statements are an integral part of this statement.

Fiduciary Fund Type	
Expendable Trust	Total (Memorandum Only)
$ 115,132,189	$ 2,029,419,531
	63,921,086
55,406,628	55,406,628
2,862,275	1,284,236,863
35,505,613	84,555,544
	144,081,738
	4,339,012
	11,249,406
	28,378,643
132,568	38,889,136
209,039,273	3,744,477,587
50,280,202	572,967,510
	926,116,360
99,026,672	1,133,457,014
	131,704,075
	71,823,984
	11,991,342
	403,514,955
	48,324,425
	34,920,868
	24,821,686
149,306,874	3,359,642,219
59,732,399	384,835,368
	198,626,254
	(313,279,323)
	(31,969,458)
77,779	(285,717,105)
77,779	(432,339,632)
59,810,178	(47,504,264)
363,970,686	1,103,524,377
(1,024,931)	13,249,884
362,945,755	1,116,774,261
	(1,514,193)
$ 422,755,933	$ 1,067,755,804

Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis)
For the Year Ended June 30, 1986

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales tax	$ 689,700,000	$ 671,339,381	$ (18,360,619)
Individual income tax	270,000,000	272,719,612	2,719,612
Corporate income and franchise taxes	139,000,000	145,969,545	6,969,545
Use and wholesale compensating taxes	95,000,000	89,716,843	(5,283,157)
Tobacco, beer and wine taxes	74,500,000	74,340,541	(159,459)
Oil and gas severance taxes	55,000,000	54,332,435	(667,565)
Insurance tax	51,800,000	57,827,897	6,027,897
Alcoholic Beverage Control excise and privilege tax	13,700,000	10,320,959	(3,379,041)
Inheritance tax	9,500,000	12,290,367	2,790,367
Other taxes	16,050,000	21,374,419	5,324,419
Net income from sale of alcoholic beverages	20,800,000	21,908,370	1,108,370
Interest income	20,600,000	22,471,079	1,871,079
Highway Safety Patrol fees	8,235,000	8,830,819	595,819
Automobile tag fees	4,750,000	4,982,934	232,934
Other fees and services	8,815,000	7,407,102	(1,407,898)
Miscellaneous	2,500,000	9,030,926	6,530,926
Special fund revenues			
Total Revenues	1,479,950,000	1,484,863,229	4,913,229
Expenditures by Major Budgetary Function:			
Legislative	9,841,111	9,496,528	344,583
Judiciary and justice	16,740,761	16,340,481	400,280
Executive and administrative	11,051,037	10,143,181	907,856
Fiscal affairs	35,582,468	35,353,925	228,543
Public education	659,326,792	655,311,504	4,015,288
Higher education	286,221,184	286,203,232	17,952
Public health	107,444,856	94,369,865	13,074,991
Hospitals and hospital schools	73,784,974	71,757,499	2,027,475
Agriculture, commerce and economic development	58,953,360	58,389,216	564,144
Conservation and recreation	29,883,254	29,710,988	172,266
Insurance and banking	2,568,633	2,494,326	74,307
Corrections	56,033,405	55,266,089	767,316
Interdepartmental service agencies	3,013,199	2,174,703	838,496
Social welfare	37,336,069	37,334,620	1,449
Public protection and assistance to veterans	43,000,542	42,781,618	218,924
Local assistance	61,405,000	52,405,117	8,999,883
Regulatory agencies	1,606,926	1,547,909	59,017
Miscellaneous	1,965,837	1,882,077	83,760
Public works	14,813,140	14,777,703	35,437
Debt service	9,042,788	8,966,564	76,224
Total Expenditures	1,519,615,336	1,486,707,145	32,908,191
Excess of Revenues over (under) Expenditures	(39,665,336)	(1,843,916)	37,821,420
Other Financing Sources (Uses):			
Proceeds from bond issues			
Operating transfers in (out)	8,000,000	5,027,768	(2,972,232)
Transfer to General Fund stabilization reserve	(9,956,093)	(5,465,586)	4,490,507
Canceled warrants		64,624	64,624
Investments redeemed or sold			
Investments purchased			
Refunds to grantors			
Total Other Financing Sources (Uses)	(1,956,093)	(373,194)	1,582,899
Excess of Revenues over (under) Expenditures and Other Financing Sources (Uses)	(41,621,429)	(2,217,110)	39,404,319
Budgetary Fund Balances July 1, 1985	59,910,669	54,007,918	(5,902,751)
Budgetary Fund Balances June 30, 1986	$ 18,289,240	$ 51,790,808	$ 33,501,568

The accompanying notes to the financial statements are an integral part of this statement.

Special Fund			**Totals (Memorandum Only)**		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$	$	$	$ 689,700,000	$ 671,339,381	$ (18,360,619)
			270,000,000	272,719,612	2,719,612
			139,000,000	145,969,545	6,969,545
			95,000,000	89,716,843	(5,283,157)
			74,500,000	74,340,541	(159,459)
			55,000,000	54,332,435	(667,565)
			51,800,000	57,827,897	6,027,897
			13,700,000	10,320,959	(3,379,041)
			9,500,000	12,290,367	2,790,367
			16,050,000	21,374,419	5,324,419
			20,800,000	21,908,370	1,108,370
			20,600,000	22,471,079	1,871,079
			8,235,000	8,830,819	595,819
			4,750,000	4,982,934	232,934
			8,815,000	7,407,102	(1,407,898)
			2,500,000	9,030,926	6,530,926
1,836,707,167	1,378,862,525	(457,844,642)	1,836,707,167	1,378,862,525	(457,844,642)
1,836,707,167	1,378,862,525	(457,844,642)	3,316,657,167	2,863,725,754	(452,931,413)
			9,841,111	9,496,528	344,583
1,013,898	632,004	381,894	17,754,659	16,972,485	782,174
160,007,476	138,238,779	21,768,697	171,058,513	148,381,960	22,676,553
7,774,769	5,805,760	1,969,009	43,357,237	41,159,685	2,197,552
219,411,727	208,948,622	10,463,105	878,738,519	864,260,126	14,478,393
2,108,835	1,648,777	460,058	288,330,019	287,852,009	478,010
434,408,439	380,158,109	54,250,330	541,853,295	474,527,974	67,325,321
66,641,667	61,089,797	5,551,870	140,426,641	132,847,296	7,579,345
9,743,913	6,635,333	3,108,580	68,697,273	65,024,549	3,672,724
37,325,631	29,950,162	7,375,469	67,208,885	59,661,150	7,547,735
8,487,567	7,590,862	896,705	11,056,200	10,085,188	971,012
5,550,632	4,638,247	912,385	61,584,037	59,904,336	1,679,701
21,056,419	8,406,224	12,650,195	24,069,618	10,580,927	13,488,691
186,884,269	159,212,051	27,672,218	224,220,338	196,546,371	27,673,667
54,802,855	37,239,373	17,563,482	97,803,397	80,020,991	17,782,406
4,776,074	4,584,592	191,482	66,181,074	56,989,709	9,191,365
16,820,572	14,309,198	2,511,374	18,427,498	15,857,107	2,570,391
1,664,609	1,460,973	203,636	3,630,446	3,343,050	287,396
592,427,815	429,105,389	163,322,426	607,240,955	443,883,092	163,357,863
			9,042,788	8,966,564	76,224
1,830,907,167	1,499,654,252	331,252,915	3,350,522,503	2,986,361,397	364,161,106
5,800,000	(120,791,727)	(126,591,727)	(33,865,336)	(122,635,643)	(88,770,307)
2,200,000	2,200,000		2,200,000	2,200,000	
(8,000,000)	(5,027,768)	2,972,232			
			(9,956,093)	(5,465,586)	4,490,507
	19,664	19,664		84,288	84,288
	150,751,046	150,751,046		150,751,046	150,751,046
	(5,502,899)	(5,502,899)		(5,502,899)	(5,502,899)
	(662,419)	(662,419)		(662,419)	(662,419)
(5,800,000)	141,777,624	147,577,624	(7,756,093)	141,404,430	149,160,523
-0-	20,985,897	20,985,897	(41,621,429)	18,768,787	60,390,216
-0-	115,876,702	115,876,702	59,910,669	169,884,620	109,973,951
$ -0-	$ 136,862,599	$ 136,862,599	$ 18,289,240	$ 188,653,407	$ 170,364,167

All Proprietary Fund Types and Similar Trust Funds

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances For the Year Ended June 30, 1986

	Proprietary Fund Types		Fudiciary Fund Types		
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	Total (Memorandum Only)
Operating Revenues:					
Charges for sales and services	$ 29,915,471	$ 12,689,780	$	$	$ 42,605,251
Contributions				276,597,323	276,597,323
Interest and other investment income	64,751,907		1,128,173	346,027,969	411,908,049
Rentals	290,609				290,609
Other	5,625,520	3,326	4,567,083	1,191,951	11,387,880
Total Operating Revenues	100,583,507	12,693,106	5,695,256	623,817,243	742,789,112
Operating Expenses:					
Costs of sales and services	16,505,457				16,505,457
Benefits				132,249,153	132,249,153
Refunds				29,428,501	29,428,501
Administrative expenses	16,722,067	9,731,594		6,903,685	33,357,346
Interest	57,359,107				57,359,107
Depreciation and amortization	1,904,250	1,454,902		147,675	3,506,827
Other	1,923,696		1,900		1,925,596
Total Operating Expenses	94,414,577	11,186,496	1,900	168,729,014	274,331,987
Operating Income (Loss)	6,168,930	1,506,610	5,693,356	455,088,229	468,457,125
Nonoperating Revenues	252,887				252,887
Nonoperating Expenses	29,420	1,979,810			2,009,230
Income (Loss) Before Operating Transfers	6,392,397	(473,200)	5,693,356	455,088,229	466,700,782
Operating Transfers In (Out)	4,482,816	1,308,987	(796,164)		4,995,639
Net Income (Loss)	10,875,213	835,787	4,897,192	455,088,229	471,696,421
Retained Earnings/Fund Balances July 1, 1985, as Previously Reported	110,257,851	7,949,262	13,497,907	2,136,672,053	2,268,377,073
Restatement of Retained Earnings/Fund Balances	(152,926)	117,717	(6,937)		(42,146)
Retained Earnings/Fund Balances July 1, 1985, as Restated	110,104,925	8,066,979	13,490,970	2,136,672,053	2,268,334,927
Retained Earnings/Fund Balances June 30, 1986	$ 120,980,138	$ 8,902,766	$ 18,388,162	$ 2,591,760,282	$ 2,740,031,348

The accompanying notes to the financial statements are an integral part of this statement.

All Proprietary Fund Types and Similar Trust Funds

Combined Statement of Changes in Financial Position
For the Year Ended June 30, 1986

	Proprietary Fund Types		Fudiciary Fund Types		
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	Total (Memorandum Only)
Sources of Working Capital:					
Operations:					
Net income (loss)	$ 10,875,213	$ 835,787	$ 4,897,192	$ 455,088,229	$ 471,696,421
Items not requiring (providing) working capital:					
Depreciation and amortization	1,904,250	1,454,902		147,675	3,506,827
Other	1,450,973	108,799		995	1,560,767
Working Capital Provided by Operations	14,230,436	2,399,488	4,897,192	455,236,899	476,764,015
Proceeds from loan receipts	90,285				90,285
Proceeds from sale of bonds	197,350,000				197,350,000
Disposal of property, plant and equipment	111,722	1,647,985		(25,481)	1,734,226
Repayment of loans receivable	17,144,689				17,144,689
Decrease in restricted assets	448,951				448,951
Net increase in long-term obligations under capital lease		827,716			827,716
Total Sources of Working Capital	229,376,083	4,875,189	4,897,192	455,211,418	694,359,882
Uses of Working Capital:					
Acquisition of property, plant and equipment	58,521,356	4,714,831		873,212	64,109,399
Decrease in long-term loans from other funds		2,287,030			2,287,030
Retirement of loans, notes and bonds payable, net of current portion	13,356,283				13,356,283
Issuance of new loans, net of change in current portion	153,829,047				153,829,047
Increase in restricted assets		592,969			592,969
Other	1,170,916				1,170,916
Total Uses of Working Capital	226,877,602	7,594,830		873,212	235,345,644
Net Increase (Decrease) in Working Capital	$ 2,498,481	$ (2,719,641)	$ 4,897,192	$ 454,338,206	$ 459,014,238
Elements of Net Increase (Decrease) in Working Capital:					
Cash and cash equivalents	$ 2,736,048	$ 1,383,566	$ 5,548,529	$ (158,317,544)	$ (148,649,401)
Investments			(6,725)	552,243,769	552,237,044
Collateral held under reverse repurchase agreements				348,125,534	348,125,534
Receivables	12,074,629	10,216	15,954	(16,829,862)	(4,729,063)
Interfund receivables	(542,997)	(600,864)		11,241,617	10,097,756
Inventories	(56,597)				(56,597)
Prepaid expenses	82,143	15,223			97,366
Other assets	198,163				198,163
Warrants payable	(452,026)	(502,315)		(211,696)	(1,166,037)
Accounts payable and accruals	(8,413,358)	(1,260,700)		35,805,508	26,131,450
Interfund payables	75,483	(1,764,767)	(660,578)	29,939,643	27,589,781
Obligations under reverse repurchase agreements				(348,125,534)	(348,125,534)
Loans and notes payable - current portion	185,351				185,351
Current portion of long-term debt	(2,511,000)				(2,511,000)
Deferred revenues	(777,628)				(777,628)
Amounts held in custody for others			12		12
Other liabilities	(99,730)			466,771	367,041
Net Increase (Decrease) in Working Capital	$ 2,498,481	$ (2,719,641)	$ 4,897,192	$ 454,338,206	$ 459,014,238

The accompanying notes to the financial statements are an integral part of this statement.

Combined Statement of Revenues, Expenditures, Interfund Transfers, Operating Transfers, and Changes in Fund Balances
For the Year Ended June 30, 1986

	Current Funds		Fiduciary Funds	
	Unrestricted	Restricted	Loan	Endowment and Similar
Revenues and Other Additions:				
Tuition and fees	$ 78,488,431	$ 66,033	$	$
Federal appropriations, grants and contracts	15,218,499	71,525,664	1,765,975	
State grants and contracts	1,571,128	4,642,333	744,888	
Local appropriations, grants and contracts	2,840,604	1,013,237	100,000	
Private gifts, grants and contracts	2,886,352	15,226,593	702,801	900,671
Endowment income	170,217	500,009		
Investment income	975,256	96,280	437,817	170,023
Interest on loans receivable			923,759	
Proceeds from bonds				
Additions to plant facilities				
Retirement of indebtedness				
Sales and services of educational activities	15,549,354	93,289		
Sales and services of auxiliary activities	75,318,026			
Sales and services of hospital	61,536,278			
Independent operations	306,166			
Other	11,103,420	687,035	205,818	699,022
Total Revenues and Other Additions	265,963,731	93,850,473	4,881,058	1,769,716
Expenditures and Other Deductions:				
Educational and general:				
Instruction	159,462,549	9,936,856		
Research	43,810,782	28,185,254		
Public service	31,630,421	8,795,089		
Academic support	34,085,740	2,856,374		
Student services	17,626,780	1,235,906		
Institutional support	37,965,209	3,392,247		
Operation and maintenance of plant	39,527,216	229,694		
Scholarships and fellowships	10,527,621	35,645,607		
Auxiliary enterprises	69,767,617	680,030		
Hospital	59,371,516			
Independent operations	1,097,096			
Administrative and indirect costs recovered		3,540,703	16,606	
Refunds to grantors	6,944	11,147	258,407	
Loan cancellations and write-offs			999,231	
Collection costs			561,307	
Expended for plant facilities				
Repairs and maintenance				
Plant assets sold or retired				
Long-term debt incurred				
Retirement of indebtedness				
Interest on indebtedness				
Change in provision for uncollectible accounts	191,795		161,288	
Other			28,035	43,011
Total Expenditures and Other Deductions	505,071,286	94,508,907	2,024,874	43,011
University Funds Interfund Transfers In (Out):				
Mandatory:				
Principal and interest	(7,824,168)	(14,824)		
Restricted fund matching	(2,653,970)	2,653,970		
Loan fund matching	(232,006)		232,006	
Facility expansion matching				
Renewals and replacements	(595,403)			
Nonmandatory:				
Building projects	(4,273,203)	(100,000)		
Other	(1,606,556)	(1,878,284)	(17,081)	(7,012)
Total University Funds Interfund Transfers In (Out)	(17,185,306)	660,862	214,925	(7,012)
Operating Transfers In (Out):				
General Fund	272,670,550			
Capital projects funds				
Total Operating Transfers In (Out)	272,670,550			
Net Increase (Decrease) in Fund Balances	16,377,689	2,428	3,071,109	1,719,693
Fund Balances, July 1, 1985	57,491,966	13,051,757	48,550,145	9,774,285
Fund Balances, June 30, 1986	$ 73,869,655	$ 13,054,185	$ 51,621,254	$ 11,493,978

The accompanying notes to the financial statements are an integral part of this statement.

Plant Funds

Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Total
$ 136,896	$	$ 66,325	$	$ 78,757,685
505,874		87,192		89,103,204
				6,958,349
				3,953,841
1,407,130		578,225		21,701,772
				670,226
268,466	741,754	646,084		3,335,680
				923,759
2,000,000				2,000,000
			49,298,689	49,298,689
			10,055,599	10,055,599
				15,642,643
				75,318,026
				61,536,278
				306,166
459,593		930,731		14,085,619
4,777,959	741,754	2,308,557	59,354,288	433,647,536
				169,399,405
				71,996,036
				40,425,510
				36,942,114
				18,862,686
				41,357,456
				39,756,910
				46,173,228
				70,447,647
				59,371,516
				1,097,096
				3,557,309
5,432,215				5,708,713
				999,231
				561,307
19,497,305	320,179			19,817,484
1,544,656	11,116			1,555,772
			22,207,781	22,207,781
			5,254,224	5,254,224
		8,445,490		8,445,490
		2,892,403		2,892,403
				353,083
	1,197	17,766		90,009
26,474,176	332,492	11,355,659	27,462,005	667,272,410
	(184,850)	8,023,842		
92,300	(92,300)			
	406,264	189,139		
4,366,635	6,568			
2,660,623	753,310	95,000		
7,119,558	868,992	8,307,981		
				272,670,550
8,050,916				8,050,916
8,050,916				280,721,466
(6,525,743)	1,298,254	(739,121)	31,892,283	47,096,592
20,563,363	8,161,585	6,444,563	664,803,997	828,841,661
$ 14,037,620	$ 9,459,839	$ 5,705,442	$ 696,696,280	$ 875,938,253

NOTE 1

Significant Accounting Policies

A. **Basis of Presentation** - The accompanying financial statements of the State of Mississippi have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements of the university funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants.

B. **Financial Reporting Entity** - For financial reporting purposes, in conformance with National Council on Governmental Accounting (NCGA) Statement 3, "Defining the Governmental Reporting Entity" as recognized by GASB Statement 1, the State of Mississippi includes all fund types and account groups of the various commissions, departments, boards, and elected officials of the State, as well as universities and other organizational units (hereinafter referred to collectively as "agencies") over which the State's legislative and/or executive branches exercise oversight responsibility. Oversight responsibility is defined to include: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service, and/or special financing relationships.

Based on the application of NCGA Statement 3 criteria, the following organizations have also been determined to be part of the State reporting entity and are included in the accompanying financial statements:

- County health departments
- County welfare departments
- Mississippi Housing Finance Corporation
- Mississippi Hospital Equipment Financing Authority
- Mississippi Industries for the Blind
- Port Authority at Gulfport
- Yellow Creek Inland Port
- Certified Development Corporation
- Allied Enterprises
- Public Employees' Retirement System
- University Press
- Mississippi Guaranteed Student Loan Agency

The Mississippi Housing Finance Corporation fiscal year ends on August 31. Consequently, the financial statements of that component unit as of and for the year ended August 31, 1985 have been combined into the accompanying June 30, 1986 financial statements as provided by NCGA Statement 7.

The following organizations have been determined not to be part of the reporting entity based on consideration of the manifestations of oversight, scope of public service, or special financing relationships criteria of NCGA Statement 3 and are therefore excluded from the accompanying financial statements because the State does not control or significantly influence the assets, operations or management of the respective entities:

- Municipalities and counties
- Coast Coliseum
- Waterway districts
- Planning and development districts
- School districts
- Drainage districts
- Soil and water conservation districts
- Locally controlled two-year junior colleges
- Locally controlled vocational-technical schools
- Regional libraries
- Regional mental health centers
- Regional airports
- Levee boards
- Municipal and county ports and harbors

C. **Fund Accounting** - The financial activities of the State are recorded in individual funds and account groups classified in the accompanying financial statements by type and described below. The fund types include governmental funds, proprietary funds, fiduciary funds, and university funds. Account groups are presented for general fixed assets and general long-term obligations. Each individual fund and account group is a separate accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

GOVERNMENTAL FUND TYPES

General - Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not required to be accounted for in other funds, are accounted for in the General Fund. These services include, among others, general government, education (other than institutions of higher learning), health and social services, and transportation. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue - Transactions related to resources obtained from specific revenue sources (other than for expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes are accounted for in special revenue funds. Special revenue funds account for, among others, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

Debt Service - Transactions related to resources obtained and accumulated to pay interest and principal on general long-term obligations (other than capital leases and compensated absences) are generally accounted for in debt service funds.

Capital Projects - Transactions related to resources obtained and used for the acquisition, construction or improvement of major capital facilities are accounted for in capital projects funds. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the General Fund.

PROPRIETARY FUND TYPES

Enterprise - Enterprise funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service - Internal service funds account for the operations of State agencies which render services and provide goods to other State agencies or governmental units on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Trust

Expendable - Expendable trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of designated operations.

Nonexpendable - Nonexpendable trust funds account for assets held by the State in a trustee capacity where only income derived from the principal may be expended in the course of designated operations. Principal must be preserved intact.

Pension - Pension trust funds account for transactions, assets, liabilities and net assets available for plan benefits of the State's public employee retirement systems.

Agency

Agency funds account for various taxes, deposits, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

UNIVERSITY FUND TYPE

University funds account for the operations of State universities in accordance with existing authoritative accounting and reporting principles applicable to universities. Accordingly, the university fund type is an aggregation of the following funds:

Current - Current funds account for resources that will be expended in the near term for operating purposes. These include unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only for purposes designated by a donor or other external organization.

Fiduciary - Fiduciary funds account for assets held by loan and endowment funds over which the universities act in a fiduciary capacity.

Plant - Plant funds account for resources available for acquisition, renewal and replacement of institutional properties and to service debt incurred to acquire such properties.

ACCOUNT GROUPS

General Fixed Assets - The general fixed assets account group accounts for all fixed assets acquired or constructed for use by the State, other than those accounted for in the proprietary, fiduciary, and university funds.

General Long-Term Obligations - The general long-term obligations account group accounts for general obligation bonds, limited obligation bonds, compensated absences, and other long-term obligations not recorded in proprietary, fiduciary, and university funds.

D. **Basis of Accounting**

Governmental Fund Types and Expendable Trust and Agency Funds - The accounts of the General, special revenue, debt service, capital projects, expendable trust and agency funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year; expenditures and liabilities are recognized upon receipt of goods and services. Significant revenue sources which are susceptible to accrual include sales taxes, individual income taxes, corporate income taxes, federal grants and departmental services. Modifications to the accrual basis of accounting include:

- Interest on long-term obligations reflected in the general long-term obligations account group is recognized in the debt service funds when it becomes payable.
- Inventories of materials and supplies are recorded as expenditures at acquisition.
- Obligations for employee personal leave and major medical leave are recorded as expenditures when paid.
- Licenses, fees, permits and other miscellaneous revenues are recognized when received since they normally are only measurable at that time.
- Encumbrances represented by executed but unperformed purchase orders are recorded as reservations of fund balance as of the end of the fiscal year for subsequent year expenditure.

Proprietary Fund Types and Nonexpendable and Pension Trust Funds - The accounts of the enterprise, internal service, nonexpendable trust and pension trust funds are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

University Fund Type - The accounts of the university funds are reported using the accrual basis of accounting with the following exceptions:

- Depreciation expense related to plant fund assets is not recorded.
- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

E. **Budgetary Accounting** - The State's annual budget is prepared principally on the cash basis. Since the budgetary basis differs from generally accepted accounting principles, budget and actual amounts in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds are presented on the cash basis. A schedule reconciling excess of revenues over (under) expenditures and other financing sources (uses) on a cash basis at June 30, 1986 to the excess of revenues over (under) expenditures and other financing sources (uses) presented in conformity with generally accepted accounting principles is set forth in Note 2.

The level of budgetary control is at the agency level by organizational activity and major object of expenditure classification; compliance with this level of legal control is reported in a publication titled *State of Mississippi 1986 Annual Report of Budgetary Basis Expenditures.* A separate document is necessary since the State has over 1,100 appropriated line items.

Unexpended appropriations are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided they are presented for payment during the succeeding 60 day lapse period. Lapse period expenditures are reported as expenditures in the current year budgetary presentation.

F. **Cash and Cash Equivalents** - Cash and cash equivalents include bank accounts, petty cash, and short-term investments such as certificates of deposit, repurchase agreements and U.S. Treasury bills, bonds and notes. These investments are stated at cost which at June 30, 1986 approximated market. Collateral, as required by law, is pledged by the various banks and securities dealers to guarantee State funds placed with them. In addition, the State is custodian for other securities, not reported in the accompanying financial statements, which collateralize contractor/vendor performance.

G. **Investments** - Investments are generally recorded at cost. The pension trust fund portfolio includes debt securities stated at cost adjusted for amortization of premiums and accretion of discounts and equity securities stated at cost (see Notes 4 and 14E). Investments of the Government Employees' Deferred Compensation Plan Fund (an agency fund) are stated at market except for life insurance contracts which are stated at cash surrender value.

H. **Receivables** - Receivables in the governmental and fiduciary funds primarily consist of interest and federal revenues, both recorded when earned, and taxes that are susceptible to accrual - mainly sales and income taxes. Receivables in the proprietary funds arose in the ordinary course of business. Receivables are reported net of allowances for uncollectible accounts where applicable.

I. **Interfund Transactions** - The State has the following types of interfund transactions:

- **Quasi-external Transactions** - Charges for services rendered by one fund to another that are treated as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

- **Reimbursements** - Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

- **Residual Equity Transfers** - Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund equity.

- **Operating Transfers** - Legally authorized transfers other than residual equity transfers are reported as operating transfers. Operating transfers from the General Fund are transfers of appropriated or diverted tax revenues.

The composition of the State's interfund receivables and payables is presented in Note 6.

J. **Inventories** - Inventories of supplies and materials are principally determined by physical count and are stated at the lower of cost, generally using the first-in, first-out method, or market. Cost of inventories held for use in constructing highways is determined by the weighted average method.

K. **Property, Plant and Equipment**

General Fixed Assets - General fixed assets are stated at cost, or for donated assets, at market value at the time of donation. Lands deeded to the State at its formation (1,117,838 acres) are recorded at $1 per acre. Certain public domain (infrastructure) general fixed assets, principally highways, bridges and rights-of-way, are not capitalized. Depreciation is not provided on general fixed assets.

Proprietary and Fiduciary Fund Types - Property, plant and equipment are stated at cost or, for donated assets, at market value at the time of donation. Generally, property, plant and equipment, excluding land, are depreciated on the straight-line method over the estimated service lives of the respective assets ranging from 20 to 50 years for buildings and improvements, 18 years for water transport vessels, and 3 to 10 years for machinery and equipment.

University Fund Type - Property, plant and equipment are stated at cost or, for donated assets, at market value at the time of donation. Generally, public domain (infrastructure) assets such as streets, sidewalks, lighting systems and curbs are capitalized. Consistent with generally accepted accounting principles for universities, depreciation is not provided for the cost of plant assets.

L. **Accumulated Unpaid Personal Leave and Major Medical Leave**

Mississippi State law authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. No payment is authorized for accrued major medical leave unless the employee presents medical evidence that his physical condition is such that he can no longer work in a capacity of State government. The State's liability for accumulated unpaid personal leave up to a maximum of 30 days per employee is reported in the accompanying general long-term obligations account group for all governmental fund types. In the proprietary and similar trust fund types, this obligation is reported as a liability of the respective funds. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current-year expenditures. The State uses the last-in, first-out method of recognizing the use of compensated absences. The reported liability for accumulated unpaid personal leave applicable to all fund types includes the related fringe benefits that the State as employer is required to pay when the accrued compensated absences are liquidated.

Accumulated unpaid major medical leave is not accrued because it is not probable that the compensation will be paid other than in the event of illness.

M. **Fund Equity Reservations/Designations**

RESERVATIONS

Governmental and Fiduciary Fund Types - Fund balances of governmental and fiduciary fund types which are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balances.

Proprietary Fund Types - Reserved retained earnings of the proprietary funds represent primarily those portions of fund equity that are legally restricted for payment of debt service.

University Fund Type - Fund balances of university funds that are legally restricted by outside sources to specific future use are reported as reservations of fund balances.

DESIGNATIONS

Designations of unreserved fund balances in governmental, fiduciary, and university fund types reflect the State's tentative plans for future use of financial resources.

The General Fund includes the following separate designated accounts which are required by State law:

The General Fund Stabilization Reserve account is maintained for the sole purpose of accumulating funds to cover any unforeseen deficits in State general fund revenues at the end of a fiscal year. If the State Fiscal Management Board determines, after the close of each fiscal year, that general fund revenues exceeded general fund expenditures determined on the budgetary basis, one-fourth of the excess is transferred into the General Fund Stabilization Reserve. Such transfers shall continue to be made, in succeeding fiscal years when excess revenues occur, until the accumulated total in this reserve equals five percent of general fund revenue for the latest fiscal year. Amounts used to alleviate State general fund deficits must be restored to the reserve out of future annual surpluses until the maximum (five percent) is again attained. During fiscal year 1986, the transfer into the General Fund Stabilization Reserve for fiscal year 1985 excess revenues was $5,465,586, and the account balance at June 30, 1986 was $5,485,449.

The General Fund Reserve account, which is funded by a transfer of three-fourths of the excess State general fund revenues over general fund expenditures of any fiscal year, is held for use by the State Legislature at its discretion and to provide State funds to pay warrants drawn for payments which are reimbursed by the federal government under the federal plan for a "delay-of-drawdown letter of credit". Such federal reimbursements are deposited into the General Fund Reserve upon receipt. During fiscal year 1986, the transfer into the General Fund Reserve for fiscal year 1985 excess revenues was $16,396,759. The Legislature authorized the transfer of amounts needed to fully support fiscal year 1986 appropriations from the General Fund Reserve to the State general fund. Consequently, the $16,396,759 transferred from the State general fund in October,1985 was transferred back to the State general fund later in the fiscal year.

The Working Cash Balance Revolving Fund account is used to pay State obligations when there is insufficient cash from other general fund sources to pay such obligations as they become due. Sums used for such purpose must be reimbursed from general fund revenues collected during the then current fiscal year. This account, created in July, 1984, was funded by twelve successive monthly deposits of $2,583,333 from income tax collections. Interest earned from the investment of amounts not required for current use is to be deposited into the Working Cash Balance Revolving Fund account until the balance in the account equals five percent of total general fund appropriations for the current fiscal year. The intent of the Legislature is for this account to have a balance of $31 million on the last day of any fiscal year unless the Legislature, by an affirmative vote of two-thirds of both Houses, authorizes an expenditure from the account. On June 30, 1986, the balance was $32,785,075. The balance in the Working Cash Balance Revolving Fund account is not to be considered as available funds in the process of adopting a balanced budget for any fiscal year.

Balance of these designated accounts at June 30, 1986 appear on the Combined Balance Sheet - All Fund Types and Account Groups as part of the unreserved fund balance designated for other specific purposes.

N. **Federal Grants** - Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures or expenses are recognized. Uses of grant resources are conditioned upon compliance with terms of the grant agreements and applicable federal regulations which include subjecting grants to financial and compliance audits.

O. **Total (Memorandum Only) Columns** - "Total (Memorandum Only)" columns represent an aggregation of the combined financial statements of each fund type and account group. They are presented for information only and do not represent consolidated financial information.

NOTE 2

Budgetary Process, Control and Reconciliation to GAAP

Mississippi State law requires both the Governor and the Legislative Budget Office to prepare and submit to the Legislature at the beginning of each annual session an overall balanced budget for the ensuing fiscal year. The Legislature compares these budgets, makes any revisions it deems necessary or appropriate, and legally enacts an annual State budget through passage of specific departmental appropriation bills by organizational activity and major expenditure classification, the sum of which should not exceed estimated amounts available and projected revenues. The Governor has the power to approve or veto each line item appropriation; however, vetoes are subject to Legislative override.

The budget covers most funds included in the State reporting entity but excludes endowment funds, research funds from other than State appropriations, and private gifts to designated agencies or for designated purposes which are not subject to appropriation pursuant to State law. Also excluded are funds classified in the accompanying financial statements as debt service funds.

The State has established two budgetary fund groups to account for its budgetary activities:

General - funds established to receive and distribute general tax revenues and interest generated thereon.

Special - funds established to receive federal grants, fees, proceeds from the sale of goods and services, taxes levied for specific purposes and interest generated thereon, and to support the functional activities of the agencies that generate such revenues.

Appropriations may include both general and special fund revenues with no specific delineation of the major expenditure classification limitations applicable to a general or special fund. As a result, the State of Mississippi 1986 Annual Report of Budgetary Basis Expenditures, a separate report, does not present budget to actual comparisons for each budgetary fund type but rather presents a comparison in total.

State agencies are responsible for exercising budgetary control and ensuring that appropriations are not overspent. The State Fiscal Management Board monitors the agencies' budget compliance. The level of budgetary control is at the agency level by organizational activity and generally by major expenditure classification (i.e., personal services, contractual services, commodities) as established by approved appropriation bills. For those appropriations that are not delineated as to major expenditure classification, the lowest level of budgetary control is organizational activity. Agencies are authorized to transfer appropriated amounts between major expenditure classifications up to an increase of 10% of any major expenditure classification except that the amount budgeted for salaries cannot be changed and the amount budgeted for capital outlay - equipment cannot be increased. Special fund appropriations for organizational activities or programs funded entirely from federal revenues permit expenditures in excess of original appropriations to the extent that revenues from federal funding sources exceed original budget estimates.

If, at the end of October or any month thereafter of any fiscal year, general fund revenues collected for the fiscal year fall below 98% of the estimate adopted by the Legislative Budget Office at the date of sine die adjournment, the State Fiscal Management Board is required by statute to reduce allotments of appropriations to general fund agencies by the amount necessary to keep expenditures within the actual general fund receipts for the fiscal year. No agency's allotment may be reduced by more than 5% unless allotments to all general fund agencies have been reduced by 5%. Any required reductions in excess of 5% must consist of a uniform percentage reduction to all general fund agencies. Reduced allotments may be restored if revenue collections exceed revised estimates. For the year ended June 30, 1986, no general fund appropriation allotment to any agency was reduced by more than 5% although certain allotments were reduced up to 5%.

Budgeted revenues, other than special fund revenues, in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds represent the General Fund revenue estimate adopted by the Legislative Budget Office at the date of sine die adjournment, revised as of January 9, 1986 for projected revenue shortfalls. Special fund appropriations include anticipated revenues as well as cash balances on hand at the beginning of the year with no specification of either. Therefore, budgeted special fund revenues include estimated July 1, 1985, cash balances as well as all estimated revenues from special fund sources. Budgeted fund balances represent general fund balances only. Budgeted expenditures represent original appropriations amended to reflect decreases resulting from shortfalls in general fund revenue estimates. In order to provide sufficient funding for several programs supported by general fund appropriations during the year, supplemental appropriations of $1,523,754 were approved. Budgeted expenditures were increased to reflect these supplemental appropriations.

The accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (see Note 1E), a reconciliation (amounts expressed in thousands) of resulting basis, timing, perspective and entity differences in the excess of revenues over (under) expenditures/expenses and other financing sources (uses) for the year ended June 30, 1986 is presented below (refer to Exhibit I):

Exhibit I	Budgetary Funds		Financial Statement Fund Types		
	General	Special	General	Special Revenue	Debt Service
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) - Budgetary Funds (Non-GAAP Basis)	$ (2,217)	$ 20,986	$	$	$
Eliminations and Reclassifications:					
To eliminate budgetary funds that are financial statement fund type agency funds		678			
To reclassify from budgetary funds (non-GAAP basis) to financial statement fund type	2,217	(21,664)	15,827	821	
Adjustments:					
To adjust revenues, related receivables and deferred revenue			1,641	(192)	
To adjust expenditures/expenses and related liabilities			(22,909)	(6,262)	
To adjust for lapse period expenditures which were not recorded as liabilities				64	
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) - Budgetary Funds (GAAP Basis)	-0-	-0-	(5,441)	(5,569)	
Additions:					
To reflect nonbudgeted funds and accounts (GAAP basis)			4,685	30,239	(130,916)
Excess of Revenues and Other Sources Over (Under) Expenditures/Expenses and Other Uses - Financial Statement Fund Types (GAAP Basis)	$ -0-	$ -0-	$ (756)	$ 24,670	$ (130,916)

NOTE 3

Other Accounting Disclosures

A. **Presentation of the State of Mississippi Financial Statements** - The Comprehensive Annual Financial Report of the State of Mississippi represents the first time that the combined financial statements of the State of Mississippi have been presented as a single oversight unit as required by generally accepted accounting principles on the basis described in Note 1. In the past, financial statements were prepared on the individual agencies, departments, boards, and commissions that constitute the State of Mississippi.

B. **Restatement of Retained Earnings/Fund Balances (Deficits)** - Retained earnings/fund balances (deficits) at July 1, 1985 have been restated to reflect several changes in accounting and reporting to conform more closely with generally accepted accounting principles, as set forth in the following Exhibit II (expressed in thousands);

Exhibit II	General	Special Revenue	Debt Service	Expendable Trust	Enterprise
Retained Earnings/Fund Balances (Deficits) at July 1, 1985, as Previously Reported	$ 452,519	$ 43,587	$ 220,903	$ 363,971	$ 110,258
Adjustments:					
To adjust for accrual of income tax refunds	(54,008)				
To adjust to record a receivable for a direct financing lease to Litton Industries			83,801		
Other	(11,952)	(3,580)	14	(1,025)	(153)
Retained Earnings/Fund Balances (Deficits) at July 1, 1985, as Restated	$ 386,559	$ 40,007	$ 304,718	$ 362,946	$ 110,105

The effect of these restatements on fiscal year 1985 revenues and expenditures has not been quantified since similar adjustments would be required at July 1, 1984 and the information is not available.

C. **Individual Fund Deficits** - The Emergency Management Fund, the General Services Land Leasing Fund, and the Department of Rehabilitation Services Disability Determination Services Fund (reported as special revenue funds) had deficit fund balances of $2,939,180, $100,695, and $392,690, respectively at June 30, 1986. The deficits of the Emergency Management Fund and the Disability Determination Services Fund result from recognition of fund liabilities in excess of accrued revenues. The deficit of the Land Leasing Fund is the result of the recognition of allowances for uncollectible accounts.

Capital Projects	Enterprise	Internal Service	Expendable Trust	Nonexpendable Trust	Pension Trust	University
$	$	$	$	$	$	$
3,700	(1,114)	141			27	45
(14,829)	(1,923)	324				
571	5,847	(755)			122	
		837				
(10,558)	2,810	547			149	45
10,246	8,065	289	59,810	4,897	454,939	47,052
$ (312)	$ 10,875	$ 836	$ 59,810	$ 4,897	$ 455,088	$ 47,097

Internal Service	Nonexpendable Trust
$ 7,949	$ 13,498
118	(7)
$ 8,067	$ 13,491

NOTE 4

Investments

Investments (amounts expressed in thousands) at June 30, 1986 consisted of (refer to Exhibit III below):

Exhibit III

	Fund Types					
	Special Revenue	Debt Service	Enterprise	Trust	Agency	University
U.S. Treasury and agency obligations	$ 2,150	$ 22,701	$ 35,140	$ 1,532,802	$ 19,590	$ 8,147
Corporate debt securities				348,327	2,177	1,358
Corporate equity securities			150	454,530	1,421	701
Fixed and variable investments			140,912		52,307	
Life insurance contracts					1,033	
Other						4,582
	$ 2,150(a)	$ 22,701(a)	$ 176,202(b)	$ 2,335,659(c)	$ 76,528(d)	$ 14,788(a)

(a) Market value approximates cost.
(b) Market value approximates $178,704.
(c) Market value approximates $2,552,318.
(d) All agency fund investments are attributable to the Deferred Compensation Plan Fund and are stated at market with the exception of life insurance contracts which are stated at cash surrender value.

All investments are held by the State, one of its agencies or component units, or are collateralized and held by a custodial institution in the name of the State.

NOTE 5

Taxes Receivable

Taxes receivable (amounts expressed in thousands) as of June 30, 1986 consisted of the following (refer to Exhibit IV below):

Exhibit IV

	Fund Types		
	General	Expendable Trust	Total
Sales	$ 87,528	$	$ 87,528
Income	35,717		35,717
Gasoline	12,656		12,656
Insurance premium	11,766		11,766
Unemployment compensation		35,018	35,018
Other	13,953		13,953
Total Taxes Receivable	$ 161,620	$ 35,018	$ 196,638

NOTE 6

Interfund Receivables/Payables

Interfund receivables and interfund payables consisted of the following at June 30, 1986 (amounts expressed in thousands; see Exhibit V below):

Exhibit V

Fund Type	Interfund Receivables	Interfund Payables
General	$ 5,383	$ 10,785
Special Revenue:		
Telecommunications	272	66
Federal-State Programs	3,384	4,308
Emergency Management	25	325
Land Leasing		148
Driver's Training Penalty Assessment	1,000	1
Vocational Rehabilitation for the Blind	46	
Health Care Commission	134	6
Rehabilitation Services	338	88
Disability Determination		44
Alcohol and Drug Abuse Program	194	273
Employment Services	1,266	407
Medicaid Fraud Unit		49
Community Services		2
Facility Maintenance and Operation		10
Camp Shelby Base Operation		15
Military Department Equipment Pool		4
Air National Guard Training Site Operation		5
Rice Promotion	17	
Soybean Promotion	20	
Forestry Commission		3
Museum of Natural Science		2
Bureau of Fisheries and Wildlife	30	122
Wildlife Conservation Administrative		9
Bureau of Marine Resources		5
Oil and Gas Board		4
Public Service Commission	576	3,013
Worker's Compensation Commission		10
Bank Supervision Administrative		6
Consumer Finance	3	1
Other Regulatory Agencies		11
Aeronautics Commission	21	
Energy and Transportation	46	45
Railroad Loan	7	46
Other	52	210
	7,431	9,238
Debt Service:		
Highway Revenue Refunding Bond Retirement & Interest	3,216	289
Fire Academy Bond Retirement & Interest	230	
Tennessee-Tombigbee River Bridge Bond Retirement & Interest	12	
	3,458	289
Capital Projects:		
Mississippi National Guard Construction and Improvement	2,777	
Enterprise:		
Division of Lime		101
Authority for Control of Fire Ants	50	102
Farmers' Central Market Board		1
Fair Commission and Coliseum		3
Water Pollution Abatement Revolving Loan	416	2
Prison Industries		1
Veterans' Farm and Home Board		1
Memorial Stadium Commission		1
Bureau of Surplus Property	5	2
Allied Enterprises	22	
	493	214

(Exhibit Continued on next page)

Exhibit V (continued)

Fund Type	Interfund Receivables		Interfund Payables	
Internal Service:				
Personnel Administration	$	$ 17	$	$ 6
Data Processing Services		388		6
Central Data Processing Authority Planning and Policy		98		7
Telecommunications		496		177
Central Data Processing Authority Equipment Purchase		118		2,302
		1,117		2,498
Trust and Agency:				
Expendable Trust:				
Group Insurance	2,529			
State Employees' Unemployment Insurance	198			
Unemployment Compensation	11		99	
	2,738		99	
Nonexpendable Trust:				
Oil and Gas Taxes on State owned Land			661	
Pension Trust:				
Public Employees' Retirement System			72,589	
Highway Safety Patrol Retirement System	67,653			
	67,653		72,589	
Agency:				
Social Security	4,928			
Local Government Distributive			98	
Program	824		67	
Institutional			56	
	5,752	76,143	221	73,570
University:				
Current Funds:				
Unrestricted	10,095		7,727	
Restricted	589		3,280	
	10,684		11,007	
Fiduciary Funds:				
Loan	131		9	
Endowment			1	
Agency	543		291	
	674		301	
Plant Funds			258	
		11,358		11,566
		$ 108,160		$ 108,160

NOTE 7

Loans and Notes Receivable

Loans and notes receivable, net of allowances for uncollectible accounts, (amounts expressed in thousands) at June 30, 1986 consisted of the following (refer to Exhibit VI below):

Exhibit VI

	Fund Types				
	Special Revenue	Debt Service	Enterprise	University	Total
Mortgage loans (a)	$	$	$ 437,292	$	$ 437,292
Hospital equipment loans			10,447		10,447
Economic development loans			177		177
Railroad revitalization loans	1,122				1,122
Student loan program (b)				43,122	43,122
Ingalls Shipbuilding Corporation notes receivable (c)		77,365			77,365
Other notes receivable				349	349
Other loans			226		226
Total Loans and Notes Receivable	$ 1,122	$ 77,365	$ 448,142(d)	$ 43,471	$ 570,100

(a) Mortgage loans receivable of $389,788 represent monies provided by the Mississippi Housing Finance Corporation to finance residential housing for persons of low and moderate income in the State. Proceeds of principal and interest on these loans are pledged to meet the debt service requirements of the Corporation's revenue bonds (see Note 9D). Veterans' Farm and Home Board's mortgage loans receivable of $47,504 represent loans to eligible Mississippi veterans primarily for the purchase of residential housing.

(b) Student loans are made pursuant to student loan programs funded by the U.S. Government.

(c) In 1967 the State sold general obligation bonds of $130 million to build and equip a shipyard and shipbuilding facilities for use by Ingalls Shipbuilding Corporation to further the economic growth of the State. Ingalls agreed to lease the facilities for 40 years for amounts sufficient to pay maturing bond principal and interest, with the option to purchase the facilities after 37 years for $101 plus the amount of any outstanding bond principal and interest. This transaction has been recorded as a direct financing lease.

Future minimum lease payments (amounts expressed in thousands) at June 30, 1986 were:

Year Ending June 30	Principal	Interest	Total
1987	$ 5,050	$ 3,868	$ 8,918
1988	4,465	3,868	8,333
1989	5,540	3,868	9,408
1990	5,805	3,868	9,673
1991	6,080	3,868	9,948
Thereafter	50,425	25,145	75,570

(d) Total enterprise fund type loans and notes receivable include $18,144 of current loans receivable reflected in receivables, net on the Combined Balance Sheet.

NOTE 8

Property, Plant and Equipment

Property, plant and equipment, net of accumulated depreciation, (amounts expressed in thousands) at June 30, 1986 consisted of the following (refer to Exhibit VII below):

Exhibit VII

		Fund Types			
	General Fixed Assets Account Group	Enterprise	Internal Service	Trust	University
Land	$ 46,006	$ 2,215	$	$ 508	$ 12,950
Buildings	288,947	23,720		3,454	465,035
Improvements other than buildings	36,190			125	27,345
Machinery and equipment	273,790	5,367	6,389	433	159,729
Construction in progress	35,777	2,626			11,842
	$ 680,710	$ 33,928	$ 6,389	$ 4,520	$ 676,901

Changes in general fixed assets (amounts expressed in thousands) by major asset classification for the year ended June 30, 1986 are presented below (refer to Exhibit VIII below):

Exhibit VIII

	Balance July 1, 1985	Transfers in/ Additions	Transfers out/ Deletions	Balance June 30, 1986
Land	$ 45,935	$ 78	$ 7	$ 46,006
Buildings	277,712	12,514	1,279	288,947
Improvements other than buildings	35,241	1,007	58	36,190
Machinery and equipment	256,554	30,417	13,181	273,790
Construction in progress	31,213	23,325	18,761*	35,777
	$ 646,655	$ 67,341	$ 33,286	$ 680,710

* Includes costs of completed projects transferred to buildings and improvements other than buildings and costs of public domain or "infrastructure" projects deleted due to the State's policy not to capitalize such assets.

Construction in progress included in the General Fixed Assets Account Group is composed primarily of numerous small building projects.

NOTE 9

Bond Indebtedness

A. **Debt Authorization and Limitation** - Bond indebtedness incurred by the State of Mississippi must be authorized by legislation governing the specific programs or projects to be financed. Such legislation provides the State Bond Commission authority to approve and authorize the sale and issuance of bonds. The State Bond Commission is comprised of the Governor as chairman, the State Attorney General as secretary, and the State Treasurer.

The State's constitutional debt limit is established under Section 115 of the Mississippi Constitution which provides:

> "Neither the State nor any of its direct agencies, excluding the political subdivisions and other local districts, shall incur a bonded indebtedness in excess of one and one-half (1½) times the sum of all the revenue collected by it for all purposes during any one of the preceding four fiscal years, whichever may be higher."

The State Fiscal Management Board, which is comprised of the Governor and two members appointed by the Governor and confirmed by the Senate and the Joint Legislative Budget Committee, has long-term planning responsibilities with respect to bond indebtedness. The following table (amounts expressed in thousands), provided by the State Fiscal Management Board, forecasts the State's constitutional debt limit and the underlying revenues for the next five years:

Year Ending June 30	Revenues	Constitutional Debt Limit
1987	$ 2,461,978	$ 3,692,967
1988	2,625,699	3,938,549
1989	2,821,314	4,231,971
1990	2,940,938	4,411,407
1991	3,238,208	4,857,312

Current practice restricts revenues included in the foregoing debt limitation computation to the following governmental fund revenues: taxes, licenses, fees and permits, investment income, rental income, service charges including net income from the Alcoholic Beverage Control Division, fines, forfeits and penalties. Revenues shown in the preceding table were calculated by applying Percent Change of State and Local Receipts, Table 7.1, June, 1985, Wharton Econometric Forecasting Associates to actual data for the year ended June 30, 1985.

B. **General Obligation Bonds** - General obligation bonds are authorized and issued primarily to provide funds for constructing and improving State-owned facilities, including ports, stadium facilities, university facilities, public schools, parks, bridges and roads. General obligation bonds have also been issued to purchase land for wildlife conservation.

General obligation bonds are backed by the full faith, credit and taxing power of the State. Although certain general obligation debt is being retired from the resources of the enterprise funds and is therefore recorded in these funds, the State remains contingently liable for its payment. General obligation debt which was issued to finance the construction and equipping of educational buildings and other facilities for universities and is not secured by a pledge of revenues from the related facilities is a direct obligation of the State and is reported in the General Long-term Obligations Account Group. Other general obligation debt of the university funds, which is being retired from pledged resources of those funds, is reported as a liability of the university funds although the State remains contingently liable for its retirement.

Port development (Litton) bonds are payable from revenues derived from the direct financing lease of port facilities to Ingalls Shipbuilding Corporation, a wholly-owned subsidiary of Litton Industries, Inc. During fiscal year 1986, Litton Industries, Inc. prepaid rent and the State used those funds to purchase $1,845,000 of port development bonds at a discount of $1,616,212. The $77,365,000 port development bonds outstanding at June 30, 1986 are term bonds, 5%, maturing December 1, 1997. The bond resolution requires annual deposits from rental payments to a sinking fund for the retirement of such bonds and the payment of semiannual interest. The obligation of Ingalls to make rental payments is unconditional so long as the bonds are outstanding and is guaranteed by Litton Industries, Inc. These bonds are also backed by the full faith and credit of the State.

The State's outstanding general obligation bonds (amounts expressed in thousands) at June 30, 1986 were as follows (refer to Exhibit IX):

Exhibit IX

Purpose	Amount Outstanding	Interest Rates	Final Maturity Date
Enterprise Funds:			
Port improvement (Gulfport)	$ 19,632	1% to 10%	May, 2004
Port improvement (Yellow Creek)	595	4.5% to 4.7%	February, 1991
Stadium expansion	2,760	6.3% to 6.8%	December, 1999
	22,987		
University Funds:			
University building	13,258	3.3% to 6%	April, 1999
General Long-term Obligations Account Group:			
Public school construction	55,000	4.5% to 7.25%	July, 1999
Livestock Coliseum construction	110	2%	October, 1986
State park improvement	9,795	4.5% to 8%	July, 2000
Wildlife conservation	6,300	4.7% to 5.1%	September, 1991
Pearl River Bridge construction	257	4.5%	December, 1987
Tennessee-Tombigbee Waterway Bridge construction	10,590	4.5% to 6.375%	October, 1996
Port development (Litton)	77,365	5%	December, 1997
Road construction	42,830	4% to 12%	2001
University building	14,101	3.4% to 6.9%	September, 1992
	216,348		
	$ 252,593		

On October 1, 1986, the $10,590,000 Tennessee-Tombigbee Waterway Bridge construction bonds outstanding at June 30, 1986, maturing annually in increasing amounts through October, 1996, were called for redemption at a premium of 2% in accordance with the bond resolution. Therefore, the outstanding principal and related interest are included in the following table as debt service requirements for the year ending June 30, 1987.

Certain redemption provisions relative to other specific bond issues are delineated in the applicable bond resolutions and related documents.

Future general obligation debt service requirements (amounts expressed in thousands) at June 30, 1986 were as follows:

Year Ending June 30	Principal	Interest	Total
1987	$ 28,767	$ 13,401	$ 42,168
1988	17,666	12,135	29,801
1989	14,816	11,190	26,006
1990	14,538	10,366	24,904
1991	13,031	9,538	22,569
Thereafter	163,775	47,094	210,869
	$ 252,593	$ 103,724	$ 356,317

The general obligation bonds outstanding at June 30, 1986 include variable rate university building bonds of $2 million for which accurate future interest payments cannot be determined and, therefore, are not included in the above interest and total amounts.

Changes in general obligation bonds during the year ended June 30, 1986 are summarized in Note 11.

C. **Limited Obligation Bonds** - Limited obligation bonds are payable exclusively from specific pledged General Fund revenues. Such bonds are not secured by the full faith, credit and taxing power of the State, and the holders of such bonds are not entitled to look to other State resources for payment.

1. **Highway Revenue Refunding Bonds - Series 1985** - The Highway Revenue Refunding Bonds - Series 1985 (hereinafter referred to as the Series 1985 Bonds) were issued in September and October, 1985 for the purpose of refunding the State's outstanding $443,240,000 General Obligation Highway Refunding Bonds - 1978 Series and $11,550,000 General Obligation Highway Bonds - 1978 Series A, which constituted all of the then outstanding highway bonds of the State. (See Note 9F- Highway Bond Refunding and Note 9G- Defeased Bonds.)

   The Series 1985 Bonds are payable solely from gross gasoline tax revenues and other sources pledged to their payment. The other pledged sources are: (a) proceeds from privilege tax collected in any year, net of certain administrative fees, in excess of $3.7 million; (b) proceeds derived from the issuance of fuel identification decals; (c) 15% of tobacco tax revenues collected in the previous month, not to exceed $5 million in any fiscal year; and (d) cash and investments in accounts established by the Highway Bond Resolution adopted on September 19, 1985. The Series 1985 Bonds are fully and unconditionally insured.

The outstanding Series 1985 Bonds at June 30, 1986, including accrued interest on appreciation bonds aggregating $1,886,247, consisted of the following (amounts expressed in thousands; see Exhibit X below):

Exhibit X

	Amount Outstanding	Interest Rates	Final Maturity Date
Serial bonds	$ 151,745	5.25% to 8.9%	February, 1998
Appreciation serial bonds	14,516	7.75% to 9.1%	August, 1998
Appreciation term bonds	3,211	9.875%	August, 2005
Term bonds	25,000	6.5%	August, 2005
Appreciation term bonds	12,359	10.25%	February, 2008
	$ 206,831		

The serial bonds are not subject to redemption prior to maturity, nor are the appreciation serial bonds.

The 6.50% term bonds, maturing in 2005, are redeemable at the option of the State on or after August 1, 1998 in whole or in part at a redemption price of 100% of the principal amount so redeemed, plus accrued interest to the date of redemption.

The appreciation term bonds maturing on or after August 1, 2005 are redeemable in whole or in part at the option of the State on or after February 1, 2000 at a redemption price ranging from 105% of the accreted value of such bonds at the date of redemption in 2000, gradually decreasing to 100% of the accreted value of bonds redeemed February 1, 2005 and thereafter.

The serial bonds and appreciation serial bonds mature semiannually on February 1 and August 1 through 1998. Interest on the serial bonds is compounded semiannually and payable only at maturity or redemption. The appreciation term bonds will accrete in value to yield at maturity $5,000 per original investment of $742 and $539 for those bonds maturing in 2005 and 2008, respectively. The appreciation serial bonds will accrete in value to yield at maturity $5,000 per original investment ranging from $1,602 for bonds maturing on August 1, 1998 to $3,474 for bonds maturing on August 1, 1990.

2. **Fire Academy Bonds** - Fire Academy Bonds in the aggregate principal amount of $2,200,000 were issued in June, 1986 to defray expenses of capital improvements at the State Fire Academy. Principal and interest are payable solely from the additional premium tax (one-half of one percent) on multi-peril insurance assessed to provide funds for such payments.

   The outstanding Fire Academy Bonds (amounts expressed in thousands) at June 30, 1986 were as follows (refer to Exhibit XI below):

Exhibit XI

	Amount Outstanding	Interest Rates	Final Maturity Date
Term bonds, maturing semiannually on April 1 and October 1	$ 2,200	5.4% to 6.5%	October, 1990

Fire Academy Bonds are subject to redemption prior to their respective maturities, either in whole or in part, and if in part in inverse order of maturity, at the option of the State Treasurer on October 1, 1986 and on any interest payment date thereafter (April 1 and October 1, 1987-1990), at the principal amount thereof together with accrued interest to the date fixed for redemption.

3. **Seed Testing Laboratory Bonds** - Seed Testing Laboratory Bonds were issued in 1978 to finance construction of an addition to the building housing the State Department of Agriculture's Seed Testing Laboratory and Division of Plant Industry. Principal and interest on these bonds are payable solely from fees derived from services administered by those divisions of the State Department of Agriculture which are housed within the structure financed by the bond issue.

   The outstanding Seed Testing Laboratory Bonds (amounts expressed in thousands) at June 30, 1986 were as follows (refer to Exhibit XII):

Exhibit XII

	Amount Outstanding	Interest Rates	Final Maturity Date
Term bonds, maturing annually on January 1	$ 40	4.9% to 5%	January, 1988

Future limited obligation debt service requirements (amounts expressed in thousands) at June 30, 1986 are presented in the following table. Accrued interest on appreciation bonds aggregating $1,886,247 is apportioned to the years the related bonds mature, and is shown as an interest obligation of those years (refer to Exhibit XIII below):

Exhibit XIII

Year Ending June 30	Principal	Interest	Total
1987	$ 6,305	$ 13,560	$ 19,865
1988	6,900	13,211	20,111
1989	7,315	12,769	20,084
1990	7,810	12,262	20,072
1991	19,724	12,711	32,435
Thereafter	159,131	171,682	330,813
	$ 207,185	$ 236,195	$ 443,380

Changes in limited obligation bonds during the year ended June 30, 1986 are summarized in Note 11.

D. **Revenue Bonds** - Revenue bonds are backed by a pledge of resources derived from users of the related facilities and are not supported by the full faith and credit of the State.

Revenue bonds outstanding (amounts expressed in thousands) at June 30, 1986, net of unamortized discounts, were as follows (refer to Exhibit XIV below):

Exhibit XIV

Fund Type/Agency	Amount Outstanding	Interest Rates	Final Maturity Date
Enterprise:			
Mississippi Fair Commission	$ 1,928	5% to 9.45%	December, 2005
Mississippi Housing Finance Corporation	539,951	6.5% to 12.125%	September, 2016
Mississippi Hospital Equipment Financing Authority	25,565	6.5% to 8.25%	April, 1990
	567,444		
University:			
Alcorn State University	597	2.875% to 3.5%	November, 2002
Jackson State University	5,419	2.875% to 3.5%	December, 2020
Mississippi State University	7,824	2.75% to 3.5%	December, 2020
Mississippi Valley State University	932	3% to 3.5%	July, 2008
University of Mississippi	6,065	2.75% to 3.5%	July, 2008
	20,837		
	$ 588,281		

Future revenue bond debt service requirements (amounts expressed in thousands) at June 30, 1986 were as follows (refer to Exhibit XV below):

Exhibit XV

Year Ending June 30	Enterprise		University		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
1987	$ 9,516	$ 56,331	$ 771	$ 660	$ 10,287	$ 56,991	$ 67,278
1988	14,293	55,759	828	617	15,121	56,376	71,497
1989	15,491	55,010	850	591	16,341	55,601	71,942
1990	21,965	53,838	885	565	22,850	54,403	77,253
1991	22,530	52,564	903	537	23,433	53,101	76,534
Thereafter	502,737	1,086,195	16,600	5,827	519,337	1,092,022	1,611,359
	$ 586,532	$ 1,359,697	$ 20,837	$ 8,797	$ 607,369	$ 1,368,494	$ 1,975,863

Total debt service requirements for principal include bond discounts of $19 million.

E. **Bonds Authorized But Unissued** - Approximately $229.5 million of authorized but unissued bond indebtedness existed at June 30, 1986, to be used for various purposes as described below (amounts expressed in thousands):

Purpose		Authorized Debt	Authorized But Unissued
Port improvement (Gulfport)	(1)	$ 40,000	$ 11,604
Public school construction	(2)	100,000	45,000
Business investment	(3)	50,000	50,000
Property acquisition	(4)	2,600	2,600
Fire Academy construction	(5)	2,500	300
Small business financing	(6)	100,000	100,000
Mortgage loans to veterans	(7)	20,000	20,000
		$ 315,100	$ 229,504

(1) Port Improvement - Debt to be incurred for port improvement shall be a general obligation of the State but is expected to be supported by self-generated revenues rather than by revenues from the State's General Fund.

(2) Public School Construction - Authorized debt to be incurred for public school construction ($100 million) represents the total amount authorized to be outstanding at any time. Bonds issued under this authority are general obligations of the State.

On July 1, 1986 bonds in the principal amount of $10 million were issued for public school construction. Such bonds bear interest at rates ranging from 5.4% to 7%, mature annually on July 1 from 1987 through 1996, and are not subject to redemption prior to maturity.

(3) Business Investment - Effective March 31, 1986, the Business Investment Act, to be administered by the Mississippi Department of Economic Development, was created to authorize issuance of bonds from which to make loans and grants to cities and counties to finance improvements and to provide for payment of debt service on such bonds. All bonds issued under authority of this Act may be general or limited obligations of the State, and the full faith and credit of the State as to general obligation bonds or the revenues derived from projects assisted as to limited obligation bonds are pledged for the payment of principal and interest on such bonds. The Act authorized the issuance of bonds in an aggregate sum not to exceed $100 million and provided that the aggregate amount of bonds issued prior to June 30, 1987 shall not exceed $50 million.

(4) Property Acquisition - Chapter 443, Laws of 1986, authorizes the issuance of bonds or the borrowing of money for the acquisition of certain property to be used for State agency offices. Debt service requirements on such bonds, which must mature within 15 years after issuance, shall be payable solely from and shall be secured by a pledge of rental payments due under leases of the specified property. The bonds shall be additionally secured by a pledge of the greater of $50,000 or 85% annually of the monies received by the State from the sale of property seized by the Mississippi Bureau of Narcotics. In lieu of the issuance of bonds, the State Bond Commission is authorized to borrow monies if borrowing is more economically feasible. To evidence such borrowings, the State Bond Commission is authorized to issue and sell negotiable coupon notes with a final maturity not more than 10 years from issuance and secured by the same pledges as are authorized for the repayment of bonds.

(5) Fire Academy Construction - Bonds authorized for Fire Academy Construction are limited obligations of the State. [See Note 9C(2)]

(6) Small Business Financing - The Mississippi Certified Development Company, Inc. is authorized to issue revenue bonds in amounts that shall not exceed $100 million in the aggregate to provide loans, guarantees, insurance, and other assistance to small businesses within the State. Such bonds shall not constitute a

general obligation of the State but shall be payable solely from revenues pledged by Mississippi Certified Development Company, Inc.

(7) Mortgage Loans to Veterans - The Veterans' Farm and Home Board is authorized to issue up to $20 million in revenue bonds to provide funds for loans to veterans pursuant to the provisions of the Veterans' Farm and Home Purchase Law of 1950. Such bonds shall never constitute a charge against the State's general credit or taxing powers. Bond principal, interest, and redemption premiums, if any, are payable solely from monies of the Veterans' Farm and Home Board derived from repayments of principal and interest on its loans to veterans.

The Mississippi Housing Finance Corporation, a component unit whose financial statements as of and for the year ended August 31, 1985 have been combined into the accompanying June 30, 1986 financial statements, was authorized by an April 4, 1985 amendment to Section 43-33-537, Miss. Code Ann. (1972), to issue an additional $300 million in bonds in each of the 1985 and 1986 calendar years to finance the purchase of residential housing for persons of low and moderate income. Subsequent to August 31, 1985 Mississippi Housing Finance Corporation issued $200 million in additional bonds.

F. **Highway Bond Refunding** - During September and October, 1985, the State entered into a series of transactions, culminating in defeasance of outstanding bond indebtedness aggregating more than $454,000,000, which significantly reduced future debt service principal and interest expenditures. More specifically, the State issued $204,944,908 Highway Revenue Refunding Bonds - Series 1985 for the purpose of refunding the State's outstanding $443,240,000 General Obligation Highway Bonds- Series 1978 and $11,550,000 General Obligation Highway Bonds - 1978 Series A [see Note 9C(1)]. The refunded General Obligation Highway Bonds- Series 1978 included $140,015,000 of serial bonds, 5.3% to 5.6%, due from 1991 through 1997, and $303,225,000 of 6.2% term bonds due February 1, 2008. The refunded $11,550,000 General Obligation Highway Bonds - 1978 Series A are serial bonds, 5% to 6.25%, due from 1986 through 1998. The bonds issued included (amounts expressed in thousands):

		Principal Amount
Serial bonds, 5.25% to 8.90%, due semiannually in varying amounts from August 1, 1986 to February 1, 1998	$	151,745
Appreciation serial bonds, maturing semiannually in varying amounts from February 1, 1990 through August 1, 1998, with yields from 7.75% to 9.1%		13,685
Appreciation term bonds maturing August 1, 2005, yielding 9.875%		2,999
Term bonds, 6 1/2%, due August 1, 2005		25,000
Appreciation term bonds due February 1, 2008, yielding 10.25%		11,516
Total	$	204,945

The net proceeds of the bond issues after deducting bond issuance costs were deposited along with certain other monies (which were principally derived from accumulations in various debt service funds for the purpose of satisfying the outstanding highway bonds) with the trustee to accomplish the defeasance, as summarized in the following table.

Principal amount of new debt	$	204,944,908
Issuance costs		(10,248,459)
Accrued interest on bonds sold		1,729,805
Net Proceeds of New Debt		196,426,254
Additional monies provided by the State from debt service funds - net		114,198,608
Other costs associated with the defeasance		2,654,461
Total Payment to Escrow Agent	$	313,279,323

The refunding transaction described above resulted in arithmetic and economic gains aggregating $54,069,000 and $15,158,000, respectively. The arithmetic gain is the difference between the aggregate of the old debt service requirements and the new debt service requirements, adjusted for cash payments. The economic gain is the present value of the difference between the aggregate of the old debt service requirements and the aggregate of the new debt service requirements, adjusted for additional cash paid and discounted at the true interest cost (9.303%). To accomplish the refunding transaction in compliance with Internal Revenue Service rules and regulations and to achieve these significant savings, the State was required to liquidate its investment in certain securities which were carried in the State's accounts at par value, which required a reduction in carrying value of investment securities aggregating $31,969,458 (present value at the date of sale of approximately $5,226,000). The aforementioned arithmetic and economic gains aggregating $54,069,000 and $15,158,000, respectively, are net of such gross and present value reductions in carrying value of investment securities. Thus, the effects of liquidating these investments do not reduce such arithmetic and economic gains below their stated levels of $54,069,000 and $15,158,000, respectively.

G. **Defeased Bonds** - In 1978 and 1985, the State defeased certain outstanding general obligation and other bonds by depositing the net proceeds of new bonds and additional monies from debt service funds in an irrevocable trust to be used solely for satisfying all future scheduled principal and interest payments on the old bonds. Accordingly, for financial reporting purposes the defeased bonds and related trust accounts are not included in the financial statements. At June 30, 1986 the following outstanding bonds were considered defeased (amounts expressed in thousands):

Highway Revenue Bonds - Series 33-37	$	3,370
General Obligation Highway Bonds - Series 40		9,000
General Obligation Highway Bonds - Series 41		9,400
General Obligation Highway Bonds - Series 42		13,900
General Obligation Highway Bonds - Series 43		24,800
General Obligation Highway Bonds - Series 44		28,000
General Obligation Highway Bonds - Series 47		30,900
General Obligation Highway Bonds - Series 48		24,000
General Obligation Highway Bonds - Series 49		23,000
General Obligation Highway Bonds - Series 50		15,800
General Obligation Highway Bonds - Series 1978		443,240
General Obligation Highway Bonds - Series 1978-A		11,250
	$	636,660

H. **No Commitment Debt (not included in financial statements)** - The State of Mississippi by action of the Legislature effective July 1,1985 created the Mississippi Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning (hereinafter referred to as "the Authority") for the express purpose of assisting private institutions of higher learning in financing and refinancing educational facility projects deemed to be in the public interest. Administrative costs and expenses incurred by the Authority are charged to and apportioned among participating institutions. Authority bonds represent obligations payable from payments made by the borrowing entities and from monies which may be contributed to the Authority by any public or private agency or individual. The bonds are secured by the property financed or other property. The State has no obligation for this debt. Accordingly, these bonds and the related financial activity are not reflected in the accompanying financial statements.

At June 30, 1986, the Authority's revenue bonds outstanding (amounts expressed in thousands) by borrowing institution were as follows:

Institution	Amount Outstanding	Interest Rates	Annual Maturity To
Millsaps College	$ 3,000	Variable	October, 2010
Mississippi College	2,000	Variable	October, 2005
	$ 5,000		

NOTE 10

Other Long-term Obligations

A. **Compensated Absences** - The State of Mississippi's liability for compensated absences reported in the General Long-term Obligations Account Group at June 30, 1986 was $34,905,819. The reported liability includes related fringe benefits and excludes any obligations related to leave accumulations in excess of 30 days per employee. (See Note 1-L)

B. **Capital Lease Commitments** - The State leases property with varying terms and options. Most leases contain a fiscal funding addendum stating that the lease shall terminate on the last day of the fiscal year if appropriated funds for the ensuing fiscal year are insufficient. However, if renewal is reasonably assured, leases requiring appropriation by the Legislature are considered noncancellable leases for financial reporting purposes.

At June 30, 1986, capitalized leases included in property, plant and equipment (amounts expressed in thousands) were as follows:

	University Fund Type	General Fixed Assets Account Group
Machinery and equipment	$ 11,128	$ 4,746

Future minimum commitments under capital leases (amounts expressed in thousands) as of June 30, 1986, were as follows (refer to Exhibit XVI below):

Exhibit XVI

Year Ending June 30	University – Fund Type	General Long-term Obligations	Total
1987	$ 2,753	$ 1,365	$ 4,118
1988	2,436	991	3,427
1989	2,156	497	2,653
1990	1,257		1,257
1991	550		550
1992	817		817
Total Minimum Lease Payments	9,969	2,853	12,822
Less: Amounts Representing Executory Costs and Interest	2,058	440	2,498
Present Value of Net Minimum Lease Payments	$ 7,911	$ 2,413	$ 10,324

NOTE 11

Changes In General Long-term Obligations

Changes in general long-term obligations for the year ended June 30, 1986 (amounts expressed in thousands) are summarized below:

Exhibit XVII

	General Obligation Bonds (Note 9B)	Limited Obligation Bonds (Note 9C)	Accrued Compensated Absences	Capital Lease Obligations	Other Long-term Obligations	Total
Balance at July 1, 1985, as Previously Reported	$ 718,518	$ 60	$ 33,038	$ 3,565	$ 2,989	$ 758,170
Restatement				(48)		(48)
Balance at July 1, 1985, as Restated	718,518	60	33,038	3,517	2,989	758,122
Bonds issued		207,145				207,145
Compensated absences earned			22,199			22,199
Decrease in lease obligations				(1,104)		(1,104)
Increase in accreted value of capital appreciation bonds		1,886				1,886
Principal retirements and defeased bonds	(502,170)	(20)			(1,153)	(503,343)
Compensated absences taken			(20,331)			(20,331)
Increase in other long-term obligations					41	41
Balance at June 30, 1986	$ 216,348	$ 209,071	$ 34,906	$ 2,413	$ 1,877	$ 464,615

NOTE 12

Segment Information - Enterprise Funds

Financial information (amounts expressed in thousands) by enterprise segment is as follows:

	Department of Agriculture and Commerce			Department of Economic Development
	Division of Lime (a)	Authority for Control of Fire Ants (b)	Farmers' Central Market Board (c)	Certified Development Co., Inc. (d)
Operating revenues	$ 367	$ 19	$ 282	$ 429
Depreciation and amortization	122	20	41	3
Operating income (loss)	(141)	(120)	9	256
Operating transfers in				
Operating transfers out		100		
Nonoperating revenues	1	4		
Nonoperating expenses		3		
Net income (loss)	(141)	(219)	10	256
Current capital contributions		13		1
Property, plant and equipment:				
Additions	4	13	36	4
Deletions		47		
Net working capital	(74)	99	42	5,801
Total assets	1,266	497	1,097	6,306
Bonds and other long-term liabilities payable from operating revenues	44		221	
Total equity	1,078	384	770	5,957

	Memorial Stadium Commission (k)	Bureau of Surplus Property (l)	Port Authority at Gulfport (m)	Yellow Creek Inland Port Authority (n)
Operating revenues	$ 1,368	$ 560	$ 4,362	$ 593
Depreciation and amortization	224	17	586	103
Operating income (loss)	46	44	(451)	33
Operating transfers in				
Operating transfers out				
Nonoperating revenues		1	169	
Nonoperating expenses	17		9	
Net income (loss)	29	45	(291)	33
Current capital contributions				
Property, plant and equipment:				
Additions	13	14	2,594	
Deletions	17		1	34
Net working capital	1,650	194	866	116
Total assets	6,036	559	21,412	1,606
Bonds and other long-term liabilities payable from operating revenues	3,630	29	18,595	485
Total equity	1,976	481	556	986

The following types of goods or services are provided by the enterprise funds:

(a) Lime
(b) Fire ant bait - Since the Environmental Protection Agency banned the manufacture and sale of the bait "mirex"the plant has remained in operation experimenting with new baits.
(c) Processing, storing and marketing agricultural products
(d) Economic development loans to small businesses and loan guarantees
(e) State fair and coliseum activities
(f) Loans to municipalities for water pollution control
(g) Janitorial supplies, garden produce, firewood, and bindery services
(h) Food services
(i) Groceries
(j) Home mortgage loans to veterans
(k) Concessions and ticket sales to sporting events
(l) Federal property distribution
(m) Port facilities
(n) Port facilities
(o) Miscellaneous goods and services provided by handicapped citizens
(p) Residential housing loans for lower and moderate income families
(q) Miscellaneous goods manufactured by blind persons
(r) Loans to Mississippi hospitals for hospital equipment

	Dept. of Natural Resources	Department of Corrections			
Fair Commission and Coliseum (e)	Water Pollution Abatement Revolving Loan (f)	Prison Industries (g)	Lake Lodge (h)	Commissary (i)	Veterans' Farm and Home Board (j)
$ 2,174	$ 113	$ 545	$ 272	$ 1,443	$ 3,495
248		51		6	2
(318)	83	(338)	(9)	156	3,092
63		526	21	16	
10		(2)	5	64	
(246)	83	185	17	237	3,092
		367			
35		14	1	49	
		7		1	
2,427	6,518	1,422	53	490	3,920
8,682	33,871	2,219	95	645	49,442
1,842					
6,472	33,469	2,099	72	563	49,116

Department of Rehabilitation Services				
Allied Enterprises (o)	Mississippi Housing Finance Corporation (p)	Mississippi Industries for the Blind (q)	Mississippi Hospital Equipment Financing Authority (r)	Total
$ 4,755	$ 62,596	$ 14,901	$ 2,310	$ 100,584
	98	152	231	1,904
(3,817)	7,678	(136)	102	6,169
3,957				4,583
				100
				252
				29
141	7,678	(136)	102	10,875
		1		382
		126		2,903
		5		112
1,277	(442)	4,673	12,355	41,387
1,477	580,783	7,091	26,784	749,868
	534,101	152	19,945	579,044
1,277	18,304	5,925	245	129,730

NOTE 13

Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees of the State and its political subdivisions, permits participants to defer a portion of their salary until future years, thereby deferring taxation on the portion deferred. The deferred compensation is not available to employees until they are separated from service or face a serious unforeseeable financial emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or his beneficiary) solely the property of the employer (without being restricted to the provisions of benefits under the plan), subject only to the claims of the general creditors of the State and other entities which employ deferred compensation participants. Participants' rights under the plan are equal to those of general creditors of the employers in an amount equal to the fair market value of the deferred account for each participant.

As of June 30, 1986, assets held for participants and reported in an agency fund totaled approximately $78 million. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Board of Trustees of the Public Employees' Retirement System, as plan administrators, believe that it is unlikely that the State, counties, municipalities or other entities will use the assets to satisfy the claims of general creditors in the future.

NOTE 14

Retirement Plans

A. Description of the Plans

The State of Mississippi, through its Public Employees' Retirement System Board of Trustees, administers the following defined benefit public employee retirement plans which cover substantially all State employees and employees of various other governmental units:

1. Public Employees' Retirement System of Mississippi

The Public Employees' Retirement System of Mississippi (PERS) is a cost sharing multiple-employer retirement plan established in 1953 to provide coverage to substantially all State employees and to teachers and other employees of public schools and colleges. Any political subdivision or juristic entity may elect to have its employees participate in PERS. The State is the dominant employer. Total covered payrolls of all participating employers aggregated $1,676,488,864 for the year ended June 30, 1986.

2. Mississippi Highway Safety Patrol Retirement System

The Mississippi Highway Safety Patrol Retirement System (MHSPRS) is a single-employer public employee retirement system established in 1958 to provide coverage to uniformed officers of the highway patrol. The total covered payroll for the year ended June 30, 1986 was $9,781,000.

In addition to participation in PERS, eligible faculty of the various State universities may elect to become members of the Teachers' Insurance and Annuity Association (TIAA-CREF), a privately administered defined contribution retirement plan. The State neither contributes to this plan nor assumes any liability for this group of TIAA-CREF members.

B. Participation

1. Status of All Participants

At June 30, 1986 participants consisted of (refer to Exhibit XVIII below):

Exhibit XVIII

	PERS	MHSPRS
Retirees and Beneficiaries of Deceased Retirees Currently Receiving Benefits	27,631	387
Terminated Employees Entitled to Benefits But Not Yet Receiving Them	46,496	45
Active Employees:		
Vested	77,312	327
Nonvested	40,444	125
Total Active Employees	117,756	452
Total Participants	191,883	884

2. Active Members by Type of Employer

All members of MHSPRS are employed by the State. Active PERS members by employer type at June 30, 1986 were as follows:

State agencies	26,917
Universities	12,439
Public schools	49,579
Junior colleges	3,914
Counties	8,211
Municipalities	11,397
Juristic entities	5,299
Total	117,756

C. Benefit Provisions

1. Public Employees' Retirement System

Participating employees who retire at or after age 65 with 4 years of credited service or those who retire regardless of age with at least 30 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 5/8% of their final-average salary for each year of credited service up to 20 years, 1 3/4% for each year of credited service in excess of 20 years up to and including 30 years, and 2% for each year of credited service over 30 years. Final-average salary is the employee's average salary over the last four years of credited service. Employees with 4 to 29 years of credited service may retire at or after age 60 but before age 65 and receive a reduced retirement benefit. A member may elect an option for a reduced allowance payable throughout his life with the provision that, after his death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon reaching 4 years of credited service. The System also provides certain death and disability benefits.

Retirees and beneficiaries who on December 1 of each year are receiving a retirement allowance are entitled to receive an additional payment equal to the annual percentage change in the consumer price index not to exceed 2 1/2% of the annual retirement allowance for each full fiscal year of retirement. These persons may also receive an additional amount, as determined by the PERS Board of Trustees contingent on sufficient funding, calculated in increments of 1/4 of 1%, not to exceed 1 1/2% of the annual retirement allowance for each full year of retirement. For the year ended June 30, 1986, the total additional annual payment percentage was 3 1/4% (2 1/2%+3/4%) and the total of the additional payments was approximately $23 million.

2. Mississippi Highway Safety Patrol Retirement System

Participating employees who withdraw from service at or after age 55 with at least 5 years of credited service or those who retire regardless of age with at least 30 years of credited service are entitled to an annual retirement benefit, payable monthly, in an amount equal to 2 1/2% of their average compensation, based on their 4 highest consecutive years, for each year of credited service. Employees with at least 20 years of credited service may retire between ages 45 and 54 and receive a reduced retirement benefit. Benefits vest upon reaching 5 years of credited service. The System also provides certain death and disability benefits.

Retirees and beneficiaries who on December 1 of each year are receiving a retirement allowance are entitled to receive an additional payment equal to the annual percentage change in the consumer price index not to exceed 2 1/2% of the annual retirement allowance for each full fiscal year of retirement. These persons may also receive an additional amount, as determined by the PERS Board of Trustees contingent on sufficient funding, calculated in increments of 1/4 of 1%, not to exceed 1 1/2% of the annual retirement allowance for each full year of retirement. For the year ended June 30, 1986, the total additional annual payment percentage was 3 1/4% (2 1/2%+3/4%) and the total of the additional payments was approximately $360 thousand.

D. Employee and Employer Obligations to Contribute

Employees covered by PERS and MHSPRS are required to contribute 6% and 6.5%, respectively, of their salary. If an employee leaves covered employment, accumulated employee contributions plus related investment earnings allocations are refunded to the employee at his request. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and investment earnings allocations are paid to the designated beneficiary. Each employer contributes the remaining amounts necessary to finance the participation of its own employees in the System. Employer contributions are determined annually as a level percentage of payroll and were set at 8 3/4% for PERS and 26.16% for MHSPRS for the year ended June 30, 1986. Employee and employer contribution rates are based on actuarial computations which consider pension cost calculated in accordance with the provisions of Accounting Principles Board (APB) Opinion No. 8.

E. Summary of Significant Accounting Policies and Investments

The accounting policies of PERS and MHSPRS conform to generally accepted accounting principles applicable to public employee retirement systems. Equity securities are reported at cost subject to adjustment for market declines judged to be other than temporary. Fixed-income securities are reported at amortized cost with discounts and premiums amortized using the effective interest method. The book value and market values of PERS investments at June 30, 1986 were $2,335,659,272 and $2,552,317,703, respectively (see Note 4).

The Systems use the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are rendered. Investment income is recognized as earned. The cost of equity securities sold is determined using the average cost method. Cost of fixed-income securities is based on the first-in, first-out method. Gains and losses on exchanges (or "swaps") of fixed-income securities are recognized using the completed-transaction method. All of the investment assets of MHSPRS are combined with those of PERS and invested in two investment pools. One pool contains all bonds and related cash and cash equivalents. The other contains all common stock and related cash and cash equivalents. The pools are accounted for as part of the PERS pension trust fund. MHSPRS has equity in the investment fund based upon funds contributed and earnings allocated. Individual investments in the investment fund are not specifically allocated to MHSPRS. MHSPRS's share of investments held in the PERS fund are shown as due from other funds and due to other funds in the accompanying balance sheet.

PERS has entered into reverse repurchase agreements; that is, sales of securities with simultaneous agreements to repurchase them in the future at the same price plus a contract rate of interest. The cash received on repurchase agreements normally exceeds the market value of securities underlying the reverse repurchase agreements, providing the System a margin against an increase in the market value of the securities. If the dealers default on their obligations to resell these securities to the System or provide securities or cash of equal value, the System would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. At June 30, 1986, the market value of the agreement obligations, including accrued interest, was greater than the market value plus accrued interest of the underlying securities; therefore, the System had no credit exposure.

F. Actuarial Present Value (APV) Data

1. Nature and Purpose

The actuarial present value of credited projected benefits is a standardized disclosure measure of the participating employers' accrued pension benefit obligation. It is the discounted amount of benefits estimated to be payable in the future as a result of employee service through the balance sheet date, computed by attributing an equal amount including the effects of projected salary increases and step-rate benefits to each year of credited and expected future employee service.

The actuarial present value of accumulated plan benefits is the amount of benefits (vested and nonvested) which would be payable as of a specified date, determined in accordance with the terms of a pension plan, based on compensation and service to that date, and adjusted for the time value of money.

2. Actuarial Valuations and Assumptions

The accompanying present value disclosures for PERS and MHSPRS at June 30, 1986 were determined through actuarial valuations performed as of that date. Significant actuarial assumptions used in the valuations include (a) a rate of return on the investment of present and future assets of 8% a year compounded annually, (b) projected salary increases of 6 1/2% compounded annually, and (c) life expectancies before and after retirement based on the 1951 Group Mortality Table.

3. Actuarial Present Value of Credited Projected Benefits

a. State of Mississippi

The State of Mississippi contributed $61,414,575 (38%) of the total employers' contributions to PERS for the year ended June 30, 1986. The actuary has determined that the State's portion of the PERS's credited projected benefits and net assets available for benefits totaled $1,168,287,000 and $902,319,000, respectively, at June 30, 1986. The State's portion of PERS net assets available for benefits of $902,319,000 was determined by taking the sum of:

(1) Accumulated contributions of the State's active employees.

(2) Liabilities for the State's retired and terminated vested participants.

(3) The State's portion, determined on the basis of the APV of credited projected benefits, of the remaining PERS assets after removing the corresponding value of (a) and (b) for all PERS participants (first determined on a book value basis and then converted to the basis of net assets available for benefits).

The State of Mississippi is the single contributing employer to MHSPRS which at June 30, 1986 had credited projected benefits of $81,821,000 and net assets available for benefits of $68,190,322.

At June 30, 1986, the State of Mississippi's unfunded APV of credited projected benefits of $279,598,678 consisted of (refer to Exhibit XIX below):

Exhibit XIX

	PERS	MHSPRS	Total
APV of Credited Projected Benefits:			
Accumulated contributions (including related allocated investment earnings) of current employees refundable upon terminations of employment other than normal retirement	$ 256,998,000	$ 4,330,000	$ 261,328,000
Payable to retirees and beneficiaries of deceased retirees	465,520,000	57,361,000	522,881,000
Payable to terminated employees not yet receiving benefits	31,469,000	691,000	32,160,000
Payable to vested current employees - employer-financed portion	414,300,000	19,439,000	433,739,000
Total APV of Credited Projected Benefits	1,168,287,000	81,821,000	1,250,108,000
Less: Net Assets Available for Benefits (cost-based)	902,319,000	68,190,322	970,509,322
Unfunded APV of Credited Projected Benefits	$ 265,968,000	$ 13,630,678	$ 279,598,678

The percentage of the State's portion of net assets available for benefits to its portion of the actuarial present value of credited projected benefits is 77.2 and 83.3 for PERS and MHSPRS, respectively.

b. **Public Employees' Retirement System**

The unfunded APV of credited projected benefits of $753,184,040 for PERS as a whole consisted of:

APV of Credited Projected Benefits:		
Accumulated contributions (including related allocated investment earnings) of current employees refundable upon terminations of employment other than normal retirement	$	699,783,000
Payable to retirees and beneficiaries of deceased retirees		1,310,423,000
Payable to terminated employees not yet receiving benefits		91,746,000
Payable to vested current employees - employer-financed portion		1,174,802,000
Total APV of Credited Projected Benefits		3,276,754,000
Less: Net Assets Available for Benefits (cost-based)		2,523,569,960
Unfunded APV of Credited Projected Benefits	$	753,184,040

A 1% increase in the interest rate used to discount projected benefits would decrease the APV of credited projected benefits by 12% and 11% for PERS and MHSPRS, respectively. A 1% increase in the inflation component of projected salary increases would increase the APV of credited projected benefits by 5% and 3% for PERS and MHSPRS, respectively.

The percentage of net assets available for benefits to actuarial present value of credited projected benefits for PERS as a whole is 77.0.

4. **Excess of Actuarial Present Value of Accumulated Plan Benefits Over Market Value of Net Assets Available for Benefits**

a. **State of Mississippi**

The State of Mississippi's portion of PERS accumulated plan benefits and net assets (market value) available for benefits have been determined by the actuary to be $910,683,000 and $979,787,000, respectively. The State is the single contributing employer to MHSPRS which at June 30,1986 had accumulated plan benefits of $71,185,000 and net assets available for benefits of $74,044,730.

At June 30, 1986, the State's excess of actuarial present value of accumulated plan benefits over market value of net assets available for benefits of $(71,963,730) consisted of (refer to Exhibit XX below):

Exhibit XX

	PERS	MHSPRS	Total
Actuarial Present Value of Accumulated Plan Benefits:			
Vested participants currently receiving benefits	$ 465,520,000	$ 57,361,000	$ 522,881,000
Vested-other	352,133,000	9,743,000	361,876,000
Nonvested benefits	93,030,000	4,081,000	97,111,000
Total Actuarial Present Value of Accumulated Plan Benefits	910,683,000	71,185,000	981,868,000
Market Value of Net Assets Available for Benefits	979,787,000	74,044,730	1,053,831,730
Excess of Actuarial Present Value of Accumulated Plan Benefits Over Market Value of Net Assets Available for Benefits	$ (69,104,000)	$ (2,859,730)	$ (71,963,730)

b. Public Employees' Retirement System

The excess of net assets (market value) available for benefits over actuarial present value of accumulated plan benefits of $211,871,393 for PERS as a whole consisted of:

Market Value of Net Assets Available for Benefits	$ 2,740,228,393
Actuarial Present Value of Accumulated Plan Benefits:	
Vested participants currently receiving benefits	1,310,423,000
Vested-other	952,076,000
Nonvested benefits	265,858,000
Total Actuarial Present Value of Accumulated Plan Benefits	2,528,357,000
Excess of Market Value of Net Assets Available for Benefits Over Actuarial Present Value of Accumulated Plan Benefits	$ 211,871,393

G. Actuarially Determined Employer Contribution Requirements and Contributions Made

1. Funding Objective

Funding policies for PERS and MHSPRS provide for periodic employer contributions at rates that, expressed as percentages of annual covered payroll, are sufficient to provide resources to pay benefits when due without being increased for future generations of taxpayers.

2. Actuarial Funding Method

Level-percentage-of-payroll employer contribution rates are determined using the entry age normal actuarial funding method. This method produces an employer contribution rate consisting of (a) the normal cost (the level percentage of pay over the service life of an employee that is sufficient to pay benefits when due) and (b) amortization of the unfunded actuarial accrued liability. Actuarial valuations prepared as of June 30, 1986 indicate that the unfunded liability liquidation periods of PERS and of MHSPRS are 14 and 16 years, respectively.

3. Actuarial Valuations and Assumptions

The significant actuarial assumptions used to determine employer contribution requirements are the same as those used to determine the accompanying present value disclosures.

4. Current Funding

The State's contributions to PERS and MHSPRS for the year ended June 30, 1986 totaling $61,414,575 (8.75 percent of current covered payroll) and $3,590,827 (26.16 percent of current covered payroll), respectively, were in accordance with actuarially determined employer contribution requirements. In the following table summarizing contributions, $782,653 of fees collected by MHSPRS are included in State contributions.

a. Summary of Contributions

Contributions for the year ended June 30, 1986 consisted of (refer to Exhibit XXI below):

Exhibit XXI

	PERS		MHSPRS	
	Amount	Percentage of Current Covered Payroll	Amount	Percentage of Current Covered Payroll
State Contributions:				
Normal cost	$ 29,549,436	4.21%	$ 2,370,467	15.16%
Amortization of unfunded actuarial present value	31,865,139	4.54%	2,003,013	12.81%
State Employees' Contributions:				
Normal cost	41,734,000	6%	917,834	6.5%
Total Contributions	$ 103,148,575		$ 5,291,314	

b. **Comparison of Retirement Costs to Pension Contributions**

Retirement costs applicable to the State for the year ended June 30, 1986 have been calculated by the actuary in accordance with APB Opinion No. 8. A comparison of these costs to current year state contributions follows (refer to Exhibit XXII below):

Exhibit XXII

	PERS	MHSPRS
1986 Retirement Costs of the State Calculated in Accordance with APB Opinion No. 8	$ 61,414,575	$ 4,373,480
Contributions Funded by the State	61,414,575	4,373,480
1986 Net Funding Deficit (Surplus)	$ -0-	$ -0-

5. Effects of Current Year Changes in Actuarial Assumptions and Benefit Provisions

Actuarial valuations of PERS and MHSPRS are performed every other year as of June 30 (on even-numbered years) and each valuation is affected by changes in actuarial assumptions and changes in benefit provisions since the preceding valuation. The nature of changes in actuarial assumptions and benefit provisions, including the dollar effect on the System's outstanding liability, since the last actuarial valuation as of June 30, 1984 is explained below:

a. **Actuarial Assumptions**

(1) Increased interest rate assumption from 7 1/2% to 8% for both PERS and MHSPRS.

(2) Increased salary scale from 6% to 6 1/2% for MHSPRS.

The effects of these changes in actuarial assumptions are to reduce the actuarial present value of credited projected benefits by approximately $195,000,000 and $5,000,000 for PERS and MHSPRS, respectively.

b. **Benefit Provisions**

The changes in benefit provisions since the preceding valuation are as follows:

(1) Determine "average compensation" using highest four versus five successive years and provide a 3% ad hoc increase to all retired members where retirement allowance was based on the average of compensation of five successive years for both PERS and MHSPRS.

(2) Reduce vesting eligibility from ten years to four years and fifteen to five years of service for PERS and MHSPRS, respectively.

(3) Increase minimum monthly allowance for each year of service from $5 to $7.50.

(4) Eliminate 3% reduction in benefits when State law requires retirement at age 62 from July 1, 1985 through June 30, 1986 for PERS.

(5) Provide an early retirement incentive to members of MHSPRS whereby a member who has at least 20 years of service shall not be subject to the 3% penalty if below the age of 55 and elects to retire during the period from April 18 through June 30, 1986. This incentive further provides that the retirement allowance shall be based upon the applicant's current salary.

The aggregate increase in the System's liability resulting from the benefit provision modifications is $90,000,000 and $11,000,000 for PERS and MHSPRS, respectively.

NOTE 15

Commitments

A. **Operating Leases**

The State of Mississippi has entered into numerous agreements to lease land, buildings and equipment. Most of the operating leases contain the provision that, at the expiration date of the lease, the State may renew the operating lease on a month-to-month basis. It is expected that in the normal course of business most of these leases will be renewed or replaced by similar leases. Future obligations for operating leases of equipment are not material. Future minimum commitments due under operating leases for land and buildings (amounts expressed in thousands) as of June 30, 1986 were as follows:

Year Ending June 30	Amount	
1987	$	6,521
1988		5,039
1989		3,528
1990		2,337
1991		932
Thereafter		767
Total Minimum Commitments	$	19,124

Expenditures for rental of land and buildings under operating leases for the year ended June 30, 1986 amounted to $7,151,087.

B. **Contracts**

At June 30, 1986, the Highway Department had long-term contracts outstanding of approximately $264,798,189 with some performance expected during fiscal year 1987. These contracts will be paid through the General Fund. Approximately 67% of future expenditures related to these commitments are expected to be reimbursed from proceeds of federal grants when the actual costs are incurred. The remaining portion will be funded by specific gasoline taxes.

The State Aid Road Division had long-term contracts of $14,109,439 outstanding at June 30, 1986 for construction of state and county roads. These contracts will be paid through the General Fund primarily from specific tax levies.

The Bureau of Building, Grounds and Real Property Management had outstanding construction contracts of $12,887,573 at June 30, 1986. These contracts will be paid from capital projects funds.

The Department of Agriculture and Commerce had long-term construction contracts of $79,009 at June 30, 1986. These contracts will be paid from resources of the Farmers' Central Market Board fund, an enterprise fund.

The universities have contracted for the construction of various facilities. At June 30, 1986 contracts of $12,146,584 were outstanding. These will be paid through the university funds from bond proceeds, transfers from capital projects funds and plant fund revenues.

NOTE 16

Contingencies

A. **Federal Grants** - The State has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the State. The State estimates that the ultimate disallowance pertaining to these grants, if any, will be immaterial to its overall financial condition.

B. **Litigation** - The State is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the State with respect to the various proceedings; however, the State's legal counsel believes that any ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the State.

General Fund

The General Fund accounts for resources obtained and used for those services traditionally provided by state government which are not required to be accounted for in another fund.

General Fund

Balance Sheet
June 30, 1986

Assets:	
Cash and cash equivalents	$ 395,857,102
Receivables, net:	
Taxes	161,619,837
Interest	2,914,855
Due from other governments	88,983,069
Other	16,888,224
Interfund receivables	5,382,400
Food stamp inventory	64,935,953
Inventories	28,471,443
Total Assets	$ 765,052,883
Liabilities:	
Warrants payable	$ 69,682,906
Accounts payable and accruals	113,743,711
Income tax refunds payable	56,000,000
Due to other governments	47,512,766
Interfund payables	10,785,479
Deferred revenues	80,323,687
Loans from other funds	2,800,000
Total Liabilities	380,848,549
Fund Balance:	
Reserved for:	
Encumbrances	13,954,063
Inventories	28,471,443
Long-term receivables	5,629,292
Unreserved:	
Designated for highway construction	117,247,126
Designated for other specific purposes	55,443,662
Undesignated	163,458,748
Total Fund Balance	384,204,334
Total Liabilities and Fund Balance	$ 765,052,883

Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balance For the Year Ended June 30, 1986

Revenues:	
Taxes	$ 1,914,112,342
Licenses, fees and permits	34,313,177
Federal government	968,121,290
Interest	32,953,701
Departmental services	142,240,826
Rentals	3,822,900
Other	34,280,885
Total Revenues	3,129,845,121
Expenditures:	
Current:	
General government	422,054,747
Education	833,327,969
Health and social services	954,551,321
Law, justice and public safety	118,583,693
Recreation and resources development	53,813,715
Transportation	396,192,813
Debt service:	
Principal	8,266,212
Interest	2,067,461
Total Expenditures	2,788,857,931
Excess of Revenues over (under) Expenditures	340,987,190
Other Financing Sources (Uses):	
Operating transfers in (out)	(341,743,488)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(756,298)
Fund Balance July 1, 1985, as Previously Reported	452,519,323
Restatement of Fund Balance	(65,960,414)
Fund Balance July 1, 1985, as Restated	386,558,909
Increase (Decrease) in Reserve for Inventories	(1,598,277)
Fund Balance June 30, 1986	$ 384,204,334

General Fund

Schedule of Revenues by Source
For the Year Ended June 30, 1986

Taxes:	
Sales and use	$ 1,039,574,306
Gasoline	149,982,500
Motor fuel and privilege tax	33,512,443
Motor vehicle registration	15,998,562
Individual income	276,966,108
Alcoholic beverage	39,417,374
Corporate income and franchise	146,757,143
Severance	70,212,788
Inheritance	13,038,645
Tobacco	54,424,436
Insurance	69,236,432
Other	4,991,605
Total Taxes	1,914,112,342
Licenses, Fees and Permits:	
User fees	18,983,398
Drivers' licenses	5,881,682
Other	9,448,097
Total Licenses, Fees and Permits	34,313,177
Federal Government	968,121,290
Interest Income	32,953,701
Rental Income	3,822,900
Departmental Services:	
Interdepartmental charges	6,003,058
Sale of supplies and services outside State government	136,237,768
Total Departmental Services	142,240,826
Other	34,280,885
Total Revenues by Source	$ 3,129,845,121

Schedule of Current Expenditures by Function and Department
For the Year Ended June 30, 1986

General Government:	
Legislative (includes Legislative Budget Office and Legislative Office of Performance Evaluation and Expenditures Review)	$ 9,487,722
Governor's Office and Mansion	1,082,630
Governor's Office of General Services	6,777,561
Governor's Office of Federal-State Programs	1,569,276
Secretary of State	2,326,173
Department of Audit	7,274,263
Department of Public Accounts	1,571,748
Fiscal Management Board	1,045,701
Treasurer	662,991
Tax Commission	171,151,024
Department of Archives and History	3,598,334
Department of Insurance	1,826,600
National Guard Aircraft Pool	520,597
Diversion to Counties and Cities	211,657,703
Other	1,502,424
Total General Government	422,054,747
Education:	
Department of Education	173,548,813
Minimum Education Program	566,652,471
Educational Finance Commission	3,560,640
Junior Colleges	57,642,024
Textbook Procurement Commission	9,837,166
Authority for Educational Television	6,627,650
Schools for Blind and Deaf	5,877,275
Department of Rehabilitation for the Blind	4,937,771
Library Commission	4,644,159
Total Education	833,327,969
Health and Social Services:	
Department of Health	96,340,780
Division of Medicaid (Governor's Office)	307,358,256
Eleemosynary Institutions	12,251,855
Department of Mental Health and Related Institutions	108,749,732
Department of Public Welfare	422,281,675
Other	7,569,023
Total Health and Social Services	954,551,321
Law, Justice and Public Safety:	
Attorney General	3,754,980
Judges, Circuit and Chancery Judges and District Attorneys	10,966,512
Department of Corrections	48,866,923
Department of Youth Services	9,472,814
Military Department	3,969,884
Department of Public Safety	34,079,367
Bureau of Narcotics	4,097,665
Supreme Court and Clerk	2,160,478
Other	1,215,070
Total Law, Justice and Public Safety	118,583,693
Recreation and Resources Development:	
Department of Agriculture and Commerce	8,550,809
Department of Economic Development	5,285,081
Forestry Commission	20,594,283
Department of Natural Resources	18,754,153
Other	629,389
Total Recreation and Resources Development	53,813,715
Transportation:	
Highway Department	363,364,078
State Aid Road Division	32,828,735
Total Transportation	396,192,813
Total Expenditures by Function and Department	$ 2,778,524,258

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Significant Special Revenue Funds Descriptions

The numerous special revenue funds used by the State have been grouped by organizational unit and combined into specific functions.

GENERAL GOVERNMENT

Tax Commission

Telecommunications Fund — accounts for the operation of a statewide information system on motor vehicles. Funding is provided by motor vehicle title fees collected by and transferred from the General Fund.

Federal-State Programs

Grant Distributive, Alcohol Programs, and Revenue Sharing Fund — accounts for grant monies received from the federal government, transfers from the General Fund, penalty assessments on motor vehicle operation offenses involving intoxication, and interest distributed to other state departments in accordance with program requirements.

Emergency Management Agency

Emergency Management Fund — accounts for grant monies received from the federal government and transfers from the General Fund. Expenditures are restricted by the various grant agreements but all pertain to emergency management programs and their administration.

Fiscal Management Board

Exxon Court Assessment Fund — accounts for monies received as a result of a court assessment to provide restitution to overcharged customers. Expenditures of these funds are restricted to programs providing conservation and assistance benefits to energy consumers.

EDUCATION

Department of Education

School Lunch Program Fund — accounts for the federal government's share of the public school lunch and breakfast program.

Driver's Training Penalty Assessment Fund — accounts for the comprehensive driver education and training programs conducted in public schools. The funding source is a penalty assessment on all offenses involving violations of laws or ordinances relating to the operation of motor vehicles except parking or registration offenses.

HEALTH AND SOCIAL SERVICES

Health Care Commission

Health Care Commission Fund — accounts for monies collected for the purpose of regulating nursing homes, hospitals, and other health care facilities. Funding sources include federal grants, transfers from the General Fund, and fees for services.

Department of Rehabilitation Services

Rehabilitation Services Fund — accounts for federal and state monies used to provide vocational rehabilitation programs for the handicapped.

Disability Determination Fund — accounts for funds received from the federal government for the specific purpose of evaluating applicants for Social Security benefits consistent with laws and regulations pertaining to disability eligibility.

Department of Mental Health

Alcohol and Drug Abuse Program Fund — accounts for a three percent tax on alcoholic beverages collected by and transferred from the General Fund for the purpose of administering drug and alcohol abuse treatment and rehabilitation programs. Expenditures consist primarily of grants for regional alcohol treatment programs, vocational rehabilitation services, inpatient treatment programs, and alcohol rehabilitation programs for the Department of Corrections.

Employment Security Commission

Employment Services Fund — accounts for monies received from the federal government for administering the Unemployment Compensation Act.

LAW, JUSTICE AND PUBLIC SAFETY

Department of Corrections

Community Services Fund — provides alternative diversionary programs which subject individuals to the minimum supervision and control that the inmate requires in lieu of incarceration within the penitentiary. Revenue is provided by probation release fees.

Military Department

Camp Shelby Timber Fund — accounts for funds received from sale of timber, mineral leases on lands, and store sales. Expenditures are for the maintenance of Camp Shelby.

Facility Maintenance and Operation Fund — accounts for monies received from the federal government to maintain, expand, and improve armory facilities within the State.

Camp Shelby Base Operation Fund — accounts for federal monies received for the specific purpose of training troops.

Equipment Pool Fund — accounts for costs of storing and maintaining U.S. Army and Reserve equipment stored at the Camp Shelby training base. Revenue is primarily derived from the federal government.

Air National Guard Training Site Operation Fund — accounts for federal monies used primarily to pay the salaries of state employees working at the Gulfport Air National Guard training site.

RECREATION AND RESOURCES DEVELOPMENT

Department of Agriculture and Commerce

Rice Promotion Board — accounts for fees charged for the sale of rice. This revenue is expended to promote the rice industry through research, education, and advertising.

Soybean Promotion Fund — accounts for fees charged for the sale of soybeans. This revenue is expended to promote the soybean industry through research, education, and advertising.

Department of Wildlife Conservation and Marine Resources

Museum of Natural Science Fund — accounts for transfers from the General Fund and miscellaneous revenues used to operate the Mississippi Museum of Natural Science, including the acquisition, maintenance, and exhibition of natural science collections.

Bureau of Fisheries and Wildlife Fund — accounts for expenditures of enforcing laws for the preservation and protection of the State's wildlife resources and enhancing their environments. Additional responsibilities and expenses of this bureau and fund are enforcement of boating safety on state lakes and streams and enforcement of hunter safety. The Bureau of Fisheries and Wildlife Fund also shares in administrative costs of the Department of Wildlife Conservation through operating transfers to the administrative fund. Revenues are derived from the sale of hunting and fishing licenses, fees, and permits.

Administrative Fund — accounts for wildlife conservation related administrative costs including accounting, public relations, personnel, purchases, data processing, property control, and printing. Funding is provided by transfers from the Bureau of Fisheries and Wildlife Fund and the General Fund.

Motor Vehicle Fund — accounts for the purchase of motor vehicles for the Department of Wildlife Conservation and Marine Resources. Funding is provided primarily from eight percent of the proceeds from the sale of hunting and fishing licenses, fees, and permits.

Bureau of Marine Resources Fund — accounts for expenditures of conserving and protecting marine resources and of administering coastal zone, liaison, and statistical programs as directed by the National Office of Marine Fisheries. Funding is provided by transfers from the General Fund and by federal grants.

Oil and Gas Board

Oil and Gas Board Fund — accounts for fees imposed on producing wells, drilling, and operations. Funds are used to protect public and private interests against waste in the production and use of oil and gas, to obtain full development in oil production within the State, and to maintain records of all oil and gas wells drilled and producing.

REGULATION OF BUSINESS AND PROFESSIONS

Public Service Commission

Public Service Commission Fund — accounts for the costs of regulating all for-hire transportation and communication, electric, gas, water and sewer utilities. Revenue is derived principally from motor carrier application and registration fees and utilities tax assessments.

Worker's Compensation Commission

Worker's Compensation Commission Fund — accounts for expenditures relating to administering the provisions of the Mississippi Worker's Compensation Law, which include cooperating with other state and federal authorities for the prevention of injuries and occupational diseases and, in the event of such injuries and diseases, coordinating the rehabilitation or restoration to health and vocational opportunity of the affected worker.

Department of Banking and Consumer Finance

Bank Supervision Administrative Fund — accounts for assessment fees charged to banks to fund the regulation and supervision of banks operating within the State.

Consumer Finance Fund — accounts for funds collected in the examining and licensing of motor vehicle finance organizations and small loan organizations.

Other Regulatory Agencies

Other Regulatory Agencies Fund — provides for the control and regulation of various professions by boards and commissions established for this purpose. Revenue is provided by examination and license renewal fees. Each board or commission has its own account within this fund to account for its operation.

TRANSPORTATION

Department of Energy and Transportation

Energy and Transportation Fund — accounts for state and federal monies and other revenues used to coordinate the State's energy and transportation activities, needs, and programs and to develop a statewide transportation system.

Railroad Loan Fund — accounts for loans made to railways to revitalize the railroad industry. Funding is provided by loan repayments and interest.

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Special Revenue Funds

Combining Balance Sheet
June 30, 1986

	General Government	Education	Health and Social Services	Law, Justice and Public Safety
Assets:				
Cash and cash equivalents	$ 40,338,646	$ 2,887,894	$ 6,364,011	$ 3,453,217
Investments	2,150,000			
Receivables, net:				
Interest	173,951	2,359		1,954
Due from other governments	7,290,272	6,467,087	1,683,311	81,133
Other	2,160,897	16,720	42,539	173,286
Interfund receivables	3,680,366	1,046,363	1,932,598	47,496
Inventories			206,149	489,577
Loans and notes receivable				
Other assets			51,236	
Total Assets	$ 55,794,132	$ 10,420,423	$ 10,279,844	$ 4,246,663
Liabilities:				
Warrants payable	$ 3,925,975	$ 689,108	$ 2,759,667	$ 753,223
Accounts payable and accruals	1,433,591	24,568	2,448,027	339,983
Due to other governments	5,997,332	7,868,237	3,576	2,511
Interfund payables	4,847,132	65,735	818,143	129,371
Deferred revenues	10,049,475	24,670	803,833	730,740
Other liabilities	3,477			9,418
Total Liabilities	26,256,982	8,672,318	6,833,246	1,965,246
Fund Balances:				
Reserved for:				
Encumbrances	56,750	6,659	1,345,340	312,080
Inventories			206,149	489,577
Long-term portion of receivables				
Other specific purposes			1,008	10,057
Unreserved:				
Designated for other specific purposes		290,819	1,961	
Undesignated	29,480,400	1,450,627	1,892,140	1,469,703
Total Fund Balances	29,537,150	1,748,105	3,446,598	2,281,417
Total Liabilities and Fund Balances	$ 55,794,132	$ 10,420,423	$ 10,279,844	$ 4,246,663

Recreation and Resources Development	Regulation of Business and Professions	Transportation	Combined Special Revenue Funds Total
$ 16,135,747	$ 14,563,773	$ 3,491,011	$ 87,234,299
			2,150,000
64,414	2,791	18,206	263,675
476,339		476,881	16,475,023
3,405	13,088		2,409,935
71,039	579,510	73,964	7,431,336
	624		696,350
		1,122,054	1,122,054
	60		51,296
$ 16,750,944	$ 15,159,846	$ 5,182,116	$ 117,833,968
$ 1,048,263	$ 716,969	$ 249,921	$ 10,143,126
724,821	205,102	126,273	5,302,365
15,512		446,023	14,333,191
245,630	3,040,961	91,239	9,238,211
367,209	2,065,935		14,041,862
	629		13,524
2,401,435	6,029,596	913,456	53,072,279
300,892	27,700	638,200	2,687,621
	624		696,350
		848,966	848,966
			11,065
			292,780
14,048,617	9,101,926	2,781,494	60,224,907
14,349,509	9,130,250	4,268,660	64,761,689
$ 16,750,944	$ 15,159,846	$ 5,182,116	$ 117,833,968

Special Revenue Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1986

	General Government	Education	Health and Social Services	Law, Justice and Public Safety
Revenues:				
Taxes	$	$	$	$
Licenses, fees and permits	544,562	1,951,329	1,336,170	857,392
Federal government	145,685,943	89,433,432	58,294,440	10,626,787
Interest income	903,757	34,186	1,199	34,304
Departmental services	983	180,323	146,353	774,443
Rental income	516,112			
Court assessment	28,378,643			
Other	2,407,195	136,816	1,028,992	101,064
Total Revenues	178,437,195	91,736,086	60,807,154	12,393,990
Expenditures:				
General government	100,632,561			
Education		92,788,391		
Health and social services			79,879,021	
Law, justice and public safety				13,120,382
Recreation and resources development				
Regulation of business and professions				
Transportation				
Total Expenditures	100,632,561	92,788,391	79,879,021	13,120,382
Excess of Revenues over (under) Expenditures	77,804,634	(1,052,305)	(19,071,867)	(726,392)
Other Financing Sources (Uses):				
Operating transfers from General Fund	7,197,144		6,382,165	
Other operating transfers in (out)	(58,770,526)	(5,751)	12,388,752	872,908
Net Other Financing Sources (Uses)	(51,573,382)	(5,751)	18,770,917	872,908
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	26,231,252	(1,058,056)	(300,950)	146,516
Fund Balances July 1, 1985, as Previously Reported	6,920,054	2,806,161	3,705,389	2,091,199
Restatement of Fund Balances	(3,614,156)		1,749	
Fund Balances July 1, 1985, as Restated	3,305,898	2,806,161	3,707,138	2,091,199
Increase (Decrease) in Reserve for Inventories			40,410	43,702
Fund Balances June 30, 1986	$ 29,537,150	$ 1,748,105	$ 3,446,598	$ 2,281,417

Recreation and Resources Development	Regulation of Business and Professions	Transportation	Combined Special Revenue Funds Total
$	$ 175,000	$	$ 175,000
10,582,219	14,047,697		29,319,369
3,608,651	96,258	5,504,003	313,249,514
767,450	148,363	170,322	2,059,581
688,647	47,571	2,592	1,840,912
			516,112
			28,378,643
367,060	29,211	325,897	4,396,235
16,014,027	14,544,100	6,002,814	379,935,366
			100,632,561
			92,788,391
			79,879,021
			13,120,382
18,010,269			18,010,269
	11,991,342		11,991,342
		7,322,142	7,322,142
18,010,269	11,991,342	7,322,142	323,744,108
(1,996,242)	2,552,758	(1,319,328)	56,191,258
2,930,747		801,656	17,311,712
(251,062)	(3,080,000)	13,065	(48,832,614)
2,679,685	(3,080,000)	814,721	(31,520,902)
683,443	(527,242)	(504,607)	24,670,356
13,666,066	9,657,520	4,740,671	43,587,060
		32,596	(3,579,811)
13,666,066	9,657,520	4,773,267	40,007,249
	(28)		84,084
$ 14,349,509	$ 9,130,250	$ 4,268,660	$ 64,761,689

Combining Balance Sheet
General Government
June 30, 1986

	Tax Commission			
	Telecommunication	Mineral Documentary Stamp	**Federal-State Programs**	**Emergency Management**
Assets:				
Cash and cash equivalents	$ 1,416,497	$ 2,522	$ 9,155,871	$ 720,242
Investments			2,150,000	
Receivables, net:				
Interest			62,713	
Due from other governments			7,010,156	280,116
Other			2,074,865	41,674
Interfund receivables	271,888		3,383,786	24,692
Total Assets	$ 1,688,385	$ 2,522	$ 23,837,391	$ 1,066,724
Liabilities:				
Warrants payable	$ 56,378	$	$ 3,727,637	$ 130,489
Accounts payable and accruals	3,146		1,298,328	70,049
Due to other governments			2,744,857	3,252,475
Interfund payables	66,338		4,308,409	324,518
Deferred revenues			9,821,102	228,373
Other liabilities			3,477	
Total Liabilities	125,862		21,903,810	4,005,904
Fund Balances:				
Reserved for:				
Encumbrances			47,698	9,052
Unreserved:				
Undesignated	1,562,523	2,522	1,885,883	(2,948,232)
Total Fund Balances	1,562,523	2,522	1,933,581	(2,939,180)
Total Liabilities and Fund Balances	$ 1,688,385	$ 2,522	$ 23,837,391	$ 1,066,724

Fiscal Management Board	**General Services**		
Exxon Court Assessment	Land Leasing	**Other**	**Function Total**
$ 28,789,857	$ 2,814	$ 250,843	$ 40,338,646
			2,150,000
109,043		2,195	173,951
			7,290,272
	44,358		2,160,897
			3,680,366
$ 28,898,900	$ 47,172	$ 253,038	$ 55,794,132
$	$	$ 11,471	$ 3,925,975
		62,068	1,433,591
			5,997,332
	147,867		4,847,132
			10,049,475
			3,477
	147,867	73,539	26,256,982
			56,750
28,898,900	(100,695)	179,499	29,480,400
28,898,900	(100,695)	179,499	29,537,150
$ 28,898,900	$ 47,172	$ 253,038	$ 55,794,132

Combining Statement of Revenues, Expenditures, and Other Financing Sources and Uses, and Changes in Fund Balances
General Government
For the Year Ended June 30, 1986

	Tax Commission			
	Telecommunication	Mineral Documentary Stamp	Federal-State Programs	Emergency Management
Revenues:				
Licenses, fees and permits	$	$ 508	$ 277,254	$ 3,500
Federal government			132,942,809	12,743,134
Interest income			337,462	
Departmental services			305	
Rental income				
Court assessment				
Other			507,580	121,102
Total Revenues		508	134,065,410	12,867,736
Expenditures:				
General government	2,377,906	420	81,401,811	16,539,671
Excess of Revenues over (under) Expenditures	(2,377,906)	88	52,663,599	(3,671,935)
Other Financing Sources (Uses):				
Operating transfers from General Fund	3,315,534		3,154,007	727,603
Other operating transfers in (out)			(56,316,307)	(118,708)
Net Other Financing Sources (Uses)	3,315,534		(53,162,300)	608,895
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	937,628	88	(498,701)	(3,063,040)
Fund Balances July 1, 1985, as Previously Reported	624,895	2,434	6,050,895	123,860
Restatement of Fund Balances			(3,618,613)	
Fund Balances July 1, 1985, as Restated	624,895	2,434	2,432,282	123,860
Fund Balances June 30, 1986	$ 1,562,523	$ 2,522	$ 1,933,581	$ (2,939,180)

Fiscal Management Board	General Services		
Exxon Court Assessment	Land Leasing	Other	Function Total
$ (	$	$ 263,300	$ 544,562
			145,685,943
520,257	34,674	11,364	903,757
		678	983
	516,112		516,112
28,378,643			28,378,643
		1,778,513	2,407,195
28,898,900	550,786	2,053,855	178,437,195
	19,695	293,058	100,632,561
28,898,900	531,091	1,760,797	77,804,634
			7,197,144
	(550,786)	(1,784,725)	(58,770,526)
	(550,786)	(1,784,725)	(51,573,382)
28,898,900	(19,695)	(23,928)	26,231,252
-0-	(81,000)	198,970	6,920,054
		4,457	(3,614,156)
-0-	(81,000)	203,427	3,305,898
$ 28,898,900	$ (100,695)	$ 179,499	$ 29,537,150

State of Mississippi

Special Revenue Funds

Combining Balance Sheet
Education
June 30, 1986

	Department of Education School Lunch Program	Driver's Training Penalty Assessment	Other
Assets:			
Cash and cash equivalents	$ 854,386	$ 1,576,634	$ 95,044
Receivables, net:			
Interest			
Due from other governments	6,441,314		4,051
Other	5,973		8,465
Interfund receivables		1,000,000	
Total Assets	$ 7,301,673	$ 2,576,634	$ 107,560
Liabilities:			
Warrants payable	$ 660,923	$ 15,615	$ 11,168
Accounts payable and accruals		9,828	5,834
Due to other governments	6,621,125	1,247,112	
Interfund payables		1,000	9,309
Deferred revenues	19,625		5,045
Total Liabilities	7,301,673	1,273,555	31,356
Fund Balances:			
Reserved for:			
Encumbrances		6,626	
Unreserved:			
Designated for other specific purposes			
Undesignated		1,296,453	76,204
Total Fund Balances		1,303,079	76,204
Total Liabilities and Fund Balances	$ 7,301,673	$ 2,576,634	$ 107,560

State of Mississippi

Special Revenue Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Education
For the Year Ended June 30, 1986

	Department of Education School Lunch Program	Driver's Training Penalty Assessment	Other
Revenues:			
Licenses, fees and permits	$	$ 1,887,290	$ 38,879
Federal government	89,402,376		31,056
Interest income			2,280
Departmental services	106	54	148,674
Other	119,174	197	
Total Revenues	89,521,656	1,887,541	220,889
Expenditures:			
Education	89,522,922	2,922,741	210,374
Excess of Revenues over (under) Expenditures	(1,266)	(1,035,200)	10,515
Other Financing Sources (Uses):			
Other operating transfers in (out)	1,266	(449)	(8,789)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-0-	(1,035,649)	1,726
Fund Balances July 1, 1985	-0-	2,338,728	74,478
Fund Balances June 30, 1986	$ -0-	$ 1,303,079	$ 76,204

Vocational Rehabilitation for the Blind	Other	Function Total
$ 33,546	$ 328,284	$ 2,887,894
	2,359	2,359
	21,722	6,467,087
	2,282	16,720
46,363		1,046,363
$ 79,909	$ 354,647	$ 10,420,423
$ 1,402	$	$ 689,108
504	8,402	24,568
		7,868,237
	55,426	65,735
		24,670
1,906	63,828	8,672,318
33		6,659
	290,819	290,819
77,970		1,450,627
78,003	290,819	1,748,105
$ 79,909	$ 354,647	$ 10,420,423

Vocational Rehabilitation for the Blind	Other	Function Total
$	$ 25,160	$ 1,951,329
		89,433,432
4,611	27,295	34,186
20,008	11,481	180,323
48	17,397	136,816
24,667	81,333	91,736,086
26,985	105,369	92,788,391
(2,318)	(24,036)	(1,052,305)
	2,221	(5,751)
(2,318)	(21,815)	(1,058,056)
80,321	312,634	2,806,161
$ 78,003	$ 290,819	$ 1,748,105

Combining Balance Sheet
Health and Social Services
June 30, 1986

		Department of Rehabilitation Services	
	Health Care Commission	Rehabilitation Services	Disability Determination
Assets:			
Cash and cash equivalents	$ 478,628	$ 1,506,449	$ 897,476
Receivables, net:			
Due from other governments	13,541	804,968	
Other	716	38,462	
Interfund receivables	134,052	338,364	
Inventories		23,293	
Other assets			
Total Assets	$ 626,937	$ 2,711,536	$ 897,476
Liabilities:			
Warrants payable	$ 131,281	$ 1,027,835	$ 663,720
Accounts payable and accruals	51,420	1,224,453	582,266
Due to other governments			
Interfund payables	5,670	88,094	44,180
Deferred revenues		35,723	
Total Liabilities	188,371	2,376,105	1,290,166
Fund Balances:			
Reserved for:			
Encumbrances		878,053	120,921
Inventories		23,293	
Other specific purposes			
Unreserved:			
Designated for other specific purposes			
Undesignated	438,566	(565,915)	(513,611)
Total Fund Balances	438,566	335,431	(392,690)
Total Liabilities and Fund Balances	$ 626,937	$ 2,711,536	$ 897,476

Department of Mental Health		Employment Security Commission	Department of Health		
Alcohol and Drug Abuse Program	Social Services	Employment Services	Domestic Violence	Other	Function Total
$ 356,261	$ 36,113	$ 2,974,104	$ 106,741	$ 8,239	$ 6,364,011
		829,300	35,502		1,683,311
	2,862	499			42,539
194,075		1,266,107			1,932,598
		165,739		17,117	206,149
		51,236			51,236
$ 550,336	$ 38,975	$ 5,286,985	$ 142,243	$ 25,356	$ 10,279,844
$ 129,890	$	$ 806,941	$	$	$ 2,759,667
144,273	2,921	439,592		3,102	2,448,027
		3,576			3,576
272,807		407,392			818,143
		768,110			803,833
546,970	2,921	2,425,611		3,102	6,833,246
		346,366			1,345,340
		165,739		17,117	206,149
				1,008	1,008
	1,961				1,961
3,366	34,093	2,349,269	142,243	4,129	1,892,140
3,366	36,054	2,861,374	142,243	22,254	3,446,598
$ 550,336	$ 38,975	$ 5,286,985	$ 142,243	$ 25,356	$ 10,279,844

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Health and Social Services
For the Year Ended June 30, 1986

		Department of Rehabilitation Services	
	Health Care Commission	Rehabilitation Services	Disability Determination
Revenues:			
Licenses, fees and permits	$ 384,413	$ 16	$
Federal government	758,744	17,412,548	12,456,700
Interest income			
Departmental services			
Other	7,534	318,943	4,142
Total Revenues	1,150,691	17,731,507	12,460,842
Expenditures:			
Health and social services	2,010,547	18,379,586	12,338,600
Excess of Revenues over (under) Expenditures	(859,856)	(648,079)	122,242
Other Financing Sources (Uses):			
Operating transfers from General Fund	237,356	3,508,066	
Other operating transfers in (out)	751,494	(3,268,162)	(335,452)
Net Other Financing Sources (Uses)	988,850	239,904	(335,452)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	128,994	(408,175)	(213,210)
Fund Balances July 1, 1985, as Previously Reported	309,572	720,313	(179,480)
Restatement of Fund Balances			
Fund Balances July 1, 1985, as Restated	309,572	720,313	(179,480)
Increase (Decrease) in Reserve for Inventories		23,293	
Fund Balances June 30, 1986	$ 438,566	$ 335,431	$ (392,690)

Department of Mental Health		Employment Security Commission	Department of Health		
Alcohol and Drug Abuse Program	Social Services	Employment Services	Domestic Violence	Other	Function Total
$	$ 178,125	$ 431,133	$ 216,893	$ 125,590	$ 1,336,170
		27,666,448			58,294,440
	1,040			159	1,199
	146,353				146,353
	1,927	683,111		13,335	1,028,992
	327,445	28,780,692	216,893	139,084	60,807,154
1,611,112	344,592	45,040,391		154,193	79,879,021
(1,611,112)	(17,147)	(16,259,699)	216,893	(15,109)	(19,071,867)
2,636,743					6,382,165
(1,022,265)	1,470	16,336,317	(74,650)		12,388,752
1,614,478	1,470	16,336,317	(74,650)		18,770,917
3,366	(15,677)	76,618	142,243	(15,109)	(300,950)
-0-	51,731	2,784,756	-0-	18,497	3,705,389
				1,749	1,749
-0-	51,731	2,784,756	-0-	20,246	3,707,138
				17,117	40,410
$ 3,366	$ 36,054	$ 2,861,374	$ 142,243	$ 22,254	$ 3,446,598

Special Revenue Funds

Combining Balance Sheet
Law, Justice and Public Safety
June 30, 1986

	Attorney General		Department of Corrections		
	Medicaid	Other	Community Services	Vocational Training	Discharged Offenders
Assets:					
Cash and cash equivalents	$ 76,303	$ 151,751	$ 628,601	$ 6,797	$ 42,501
Receivables, net:					
Interest					
Due from other governments	2,710				
Other					
Interfund receivables		47,496			
Inventories					
Total Assets	$ 79,013	$ 199,247	$ 628,601	$ 6,797	$ 42,501
Liabilities:					
Warrants payable	$ 19,823	$ 28,732	$ 50,746	$	$ 1,734
Accounts payable and accruals	4,445	414	15,693		
Due to other governments					
Interfund payables	48,589	44,754	1,815		
Deferred revenues	3,037				
Other liabilities					
Total Liabilities	75,894	73,900	68,254		1,734
Fund Balances:					
Reserved for:					
Encumbrances	1,836	9,933	285		
Inventories					
Other specific purposes					
Unreserved:					
Undesignated	1,283	115,414	560,062	6,797	40,767
Total Fund Balances	3,119	125,347	560,347	6,797	40,767
Total Liabilities and Fund Balances	$ 79,013	$ 199,247	$ 628,601	$ 6,797	$ 42,501

Special Revenue Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Law, Justice and Public Safety
For the Year Ended June 30, 1986

	Attorney General		Department of Corrections		
	Medicaid	Other	Community Services	Vocational Training	Discharged Offenders
Revenues					
Licenses, fees and permits	$	$ 33,572	$ 651,555	$	$ 161,635
Federal government	304,201				
Interest income					744
Departmental services		1,475			
Other		69,939		4,328	
Total Revenues	304,201	104,986	651,555	4,328	162,379
Expenditures:					
Law, justice and public safety	303,260	308,698	542,778	7,766	149,755
Excess of Revenues over (under) Expenditures	941	(203,712)	108,777	(3,438)	12,624
Other Financing Sources (Uses):					
Other operating transfers in (out)		329,059			
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	941	125,347	108,777	(3,438)	12,624
Fund Balances July 1, 1985	2,178	-0-	451,570	10,235	28,143
Increase (Decrease) in Reserve for Inventories					
Fund Balances June 30, 1986	$ 3,119	$ 125,347	$ 560,347	$ 6,797	$ 40,767

Military Department

Camp Shelby Timber	Facility Maintenance and Operation	Camp Shelby Base Operation	Equipment Pool	National Guard Recreation	Air National Guard Training Site Operation	**Other**	**Function Total**
$ 713,577	$ 295,830	$ 1,257,970	$ 98,516	$ 40,912	$ 88,266	$ 52,193	$ 3,453,217
1,954							1,954
	45,746	32,677					81,133
		173,286					173,286
							47,496
		489,577					489,577
$ 715,531	$ 341,576	$ 1,953,510	$ 98,516	$ 40,912	$ 88,266	$ 52,193	$ 4,246,663
$ 2,759	$ 154,424	$ 412,439	$ 32,750	$	$ 49,816	$	$ 753,223
548	27,280	246,437	34,776	509		9,881	339,983
	2,511						2,511
79	9,964	14,900	4,386		4,884		129,371
	130,603	555,091	18,615		23,394		730,740
						9,418	9,418
3,386	324,782	1,228,867	90,527	509	78,094	19,299	1,565,246
236,887	29,238	32,876		1,025			312,080
		489,577					489,577
		870				9,187	10,057
475,258	(12,444)	201,320	7,989	39,378	10,172	23,707	1,469,703
712,145	16,794	724,643	7,989	40,403	10,172	32,894	2,281,417
$ 715,531	$ 341,576	$ 1,953,510	$ 98,516	$ 40,912	$ 88,266	$ 52,193	$ 4,246,663

Military Department

Camp Shelby Timber	Facility Maintenance and Operation	Camp Shelby Base Operation	Equipment Pool	National Guard Recreation	Air National Guard Training Site Operation	**Other**	**Function Total**
$ —	$	$	$	$	$	$ 10,630	$ 857,392
	2,594,622	6,120,054	851,913		755,997		10,626,787
32,348						1,212	34,304
2,676		743,208		6,436		20,648	774,443
382	9,519	5,752	1,234		1,325	8,585	101,064
35,406	2,604,141	6,869,014	853,147	6,436	757,322	41,075	12,393,990
74,322	3,153,546	6,933,103	853,194	2,266	747,150	44,544	13,120,382
(38,916)	(549,405)	(64,089)	(47)	4,170	10,172	(3,469)	(726,392)
	550,328	(6,479)					872,908
(38,916)	923	(70,568)	(47)	4,170	10,172	(3,469)	146,516
751,061	15,871	751,509	8,036	36,233	-0-	36,363	2,091,199
		43,702					43,702
$ 712,145	$ 16,794	$ 724,643	$ 7,989	$ 40,403	$ 10,172	$ 32,894	$ 2,281,417

State of Mississippi

Special Revenue Funds

Combining Balance Sheet
Recreation and Resources Development
June 30, 1986

	Department of Agriculture and Commerce			
	Rice Promotion	Soybean Promotion	Other	**Forestry Commission**
Assets:				
Cash and cash equivalents	$ 9,262	$ 190,318	$ 42,044	$ 298,755
Receivables, net:				
Interest				
Due from other governments				
Other				
Interfund receivables	16,616	19,834		
Total Assets	$ 25,878	$ 210,152	$ 42,044	$ 298,755
Liabilities:				
Warrants payable	$ 4,022	$ 1,904	$ 3,694	$
Accounts payable and accruals	4,712	188,214	4,337	
Due to other governments				
Interfund payables				2,824
Deferred revenues				
Total Liabilities	8,734	190,118	8,031	2,824
Fund Balances:				
Reserved for:				
Encumbrances			86	
Unreserved:				
Undesignated	17,144	20,034	33,927	295,931
Total Fund Balances	17,144	20,034	34,013	295,931
Total Liabilities and Fund Balances	$ 25,878	$ 210,152	$ 42,044	$ 298,755

State of Mississippi

Special Revenue Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Recreation and Resources Development
For the Year Ended June 30, 1986

	Department of Agriculture and Commerce			
	Rice Promotion	Soybean Promotion	Other	**Forestry Commission**
Revenues:				
Licenses, fees and permits	$ 430,622	$ 644,927	$ 119,393	$ 78,038
Federal government				
Interest income				
Departmental services			10,425	190,397
Other	1,785			42,344
Total Revenues	432,407	644,927	129,818	310,779
Expenditures:				
Recreation and resources development	423,807	643,802	125,578	264,738
Excess of Revenues over (under) Expenditures	8,600	1,125	4,240	46,041
Other Financing Sources (Uses):				
Operating transfers from General Fund				
Other operating transfers in (out)			(8,015)	
Net Other Financing Sources (Uses)			(8,015)	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	8,600	1,125	(3,775)	46,041
Fund Balances July 1, 1985	8,544	18,909	37,788	249,890
Fund Balances June 30, 1986	$ 17,144	$ 20,034	$ 34,013	$ 295,931

Department of Wildlife Conservation and Marine Resources								
Museum of Natural Science	Bureau of Fisheries and Wildlife	Administrative	Motor Vehicle	Bureau of Marine Resources	Other	**Oil and Gas Board**	**Other**	**Function Total**
$ 75,318	$ 10,498,598	$ 152,236	$ 1,008,153	$ 388,093	$ 2,153,437	$ 1,130,221	$ 189,312	$ 16,135,747
	56,059		2,959		5,396			64,414
21,230	382,013			62,148	5,948		5,000	476,339
	594	34		142		2,635		3,405
	29,589						5,000	71,039
$ 96,548	$ 10,966,853	$ 152,270	$ 1,011,112	$ 450,383	$ 2,164,781	$ 1,132,856	$ 199,312	$ 16,750,944
$ 44,217	$ 730,954	$ 66,434	$	$ 90,949	$ 16,492	$ 88,046	$ 1,551	$ 1,048,263
29,005	301,895	19,463		158,148	9,707	9,340		724,821
				15,512				15,512
2,410	122,097	9,381		5,270	22,122	3,788	77,738	245,630
6,353	360,856							367,209
81,985	1,515,802	95,278		269,879	48,321	101,174	79,289	2,401,435
3,023	228,702	17,835		51,110	136			300,892
11,540	9,222,349	39,157	1,011,112	129,394	2,116,324	1,031,682	120,023	14,048,617
14,563	9,451,051	56,992	1,011,112	180,504	2,116,460	1,031,682	120,023	14,349,509
$ 96,548	$ 10,966,853	$ 152,270	$ 1,011,112	$ 450,383	$ 2,164,781	$ 1,132,856	$ 199,312	$ 16,750,944

Department of Wildlife Conservation and Marine Resources								
Museum of Natural Science	Bureau of Fisheries and Wildlife	Administrative	Motor Vehicle	Bureau of Marine Resources	Other	**Oil and Gas Board**	**Other**	**Function Total**
$	$ 6,745,989	$	$ 538,840	$ 132,681	$ 357,482	$ 1,404,049	$ 130,198	$ 10,582,219
108,620	3,144,984			322,393	32,654			3,608,651
	591,697		72,112		99,474		4,167	767,450
222	434,303	2,543			47,043		3,714	688,647
350	21,040	3,320	149,221	44,059	88,221		16,720	367,060
109,192	10,938,013	5,863	760,173	499,133	624,874	1,404,049	154,799	16,014,027
592,867	9,916,400	1,554,615	971,419	1,971,159	277,727	1,224,181	43,976	18,010,269
(483,675)	1,021,613	(1,548,752)	(211,246)	(1,472,026)	347,147	179,868	110,823	(1,996,242)
482,103	600,000	430,394		1,418,250				2,930,747
2,160	(1,175,213)	1,150,000	(3,417)	(120,346)	(24,282)	(20)	(71,929)	(251,062)
484,263	(575,213)	1,580,394	(3,417)	1,297,904	(24,282)	(20)	(71,929)	2,679,685
588	446,400	31,642	(214,663)	(174,122)	322,865	179,848	38,894	683,443
13,975	9,004,651	25,350	1,225,775	354,626	1,793,595	851,834	81,129	13,666,066
$ 14,563	$ 9,451,051	$ 56,992	$ 1,011,112	$ 180,504	$ 2,116,460	$ 1,031,682	$ 120,023	$ 14,349,509

Special Revenue Funds

Combining Balance Sheet
Regulation of Business and Professions
June 30, 1986

			Department of Banking and Consumer Finance	
	Public Service Commission	Worker's Compensation Commission	Bank Supervision Administrative	Consumer Finance
Assets:				
Cash and cash equivalents	$ 5,254,031	$ 3,163,156	$ 1,359,402	$ 402,318
Receivables, net:				
Interest		1,973		
Other		3,957	793	
Interfund receivables	576,510			3,000
Inventories				
Other assets				
Total Assets	$ 5,830,541	$ 3,169,086	$ 1,360,195	$ 405,318
Liabilities:				
Warrants payable	$ 258,136	$ 165,243	$ 79,660	$ 16,460
Accounts payable and accruals	82,055	18,719	24,729	4,185
Interfund payables	3,012,700	9,726	6,394	816
Deferred revenues	2,025,130			
Other liabilities				
Total Liabilities	5,378,021	193,688	110,783	21,461
Fund Balances:				
Reserved for:				
Encumbrances		27,119		
Inventories				
Unreserved:				
Undesignated	452,520	2,948,279	1,249,412	383,857
Total Fund Balances	452,520	2,975,398	1,249,412	383,857
Total Liabilities and Fund Balances	$ 5,830,541	$ 3,169,086	$ 1,360,195	$ 405,318

State of Mississippi

Special Revenue Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Regulation of Business and Professions
For the Year Ended June 30, 1986

			Department of Banking and Consumer Finance	
	Public Service Commission	Worker's Compensation Commission	Bank Supervision Administrative	Consumer Finance
Revenues:				
Taxes	$ 175,000	$	$	$
Licenses, fees and permits	6,511,114	1,859,629	1,098,843	299,382
Federal government	96,258			
Interest income		123,697		
Departmental services	1,362	2,920		
Other	20,729	5,312	439	
Total Revenues	6,804,463	1,991,558	1,099,282	299,382
Expenditures:				
Regulation of business and professions	4,461,831	2,366,327	1,369,287	263,028
Excess of Revenues over (under) Expenditures	2,342,632	(374,769)	(270,005)	36,354
Other Financing Sources (Uses):				
Other operating transfers in (out)	(3,000,000)	(80,000)		
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(657,368)	(454,769)	(270,005)	36,354
Fund Balances July 1, 1985	1,109,888	3,430,167	1,519,417	347,503
Increase (Decrease) in Reserve for Inventories				
Fund Balances June 30, 1986	$ 452,520	$ 2,975,398	$ 1,249,412	$ 383,857

Other Regulatory Agencies	Function Total
$ 4,384,866	$ 14,563,773
818	2,791
8,338	13,088
	579,510
624	624
60	60
$ 4,394,706	$ 15,159,846
$ 197,470	$ 716,969
75,414	205,102
11,325	3,040,961
40,805	2,065,935
629	629
325,643	6,029,596
581	27,700
624	624
4,067,858	9,101,926
4,069,063	9,130,250
$ 4,394,706	$ 15,159,846

Other Regulatory Agencies	Function Total
$	$ 175,000
4,278,729	14,047,697
	96,258
24,666	148,363
43,289	47,571
2,731	29,211
4,349,415	14,544,100
3,530,869	11,991,342
818,546	2,552,758
	(3,080,000)
818,546	(527,242)
3,250,545	9,657,520
(28)	(28)
$ 4,069,063	$ 9,130,250

Special Revenue Funds

Combining Balance Sheet
Transportation
June 30, 1986

	Aeronautics Commission	Department of Energy and Transportation		Function Total
		Energy and Transportation	Railroad Loan	
Assets:				
Cash and cash equivalents	$ 119,663	$ 2,018,824	$ 1,352,524	$ 3,491,011
Receivables, net:				
Interest		6,870	11,336	18,206
Due from other governments	10,450	466,431		476,881
Interfund receivables	21,270	45,917	6,777	73,964
Loans and notes receivable			1,122,054	1,122,054
Total Assets	$ 151,383	$ 2,538,042	$ 2,492,691	$ 5,182,116
Liabilities:				
Warrants payable	$ 12,798	$ 231,142	$ 5,981	$ 249,921
Accounts payable and accruals	486	110,919	14,868	126,273
Due to other governments		446,023		446,023
Interfund payables		45,322	45,917	91,239
Total Liabilities	13,284	833,406	66,766	913,456
Fund Balances:				
Reserved for:				
Encumbrances		577,796	60,404	638,200
Long-term portion of loans and notes receivable			848,966	848,966
Unreserved:				
Undesignated	138,099	1,126,840	1,516,555	2,781,494
Total Fund Balances	138,099	1,704,636	2,425,925	4,268,660
Total Liabilities and Fund Balances	$ 151,383	$ 2,538,042	$ 2,492,691	$ 5,182,116

State of Mississippi

Special Revenue Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Transportation
For the Year Ended June 30, 1986

	Aeronautics Commission	Department of Energy and Transportation		Function Total
		Energy and Transportation	Railroad Loan	
Revenues:				
Federal government	$ 19,470	$ 5,484,533	$	$ 5,504,003
Interest income		95,779	74,543	170,322
Departmental services		2,592		2,592
Other		325,897		325,897
Total Revenues	19,470	5,908,801	74,543	6,002,814
Expenditures:				
Transportation	149,218	7,172,924		7,322,142
Excess of Revenues over (under) Expenditures	(129,748)	(1,264,123)	74,543	(1,319,328)
Other Financing Sources (Uses):				
Operating transfers from General Fund	140,425	661,231		801,656
Other operating transfers in (out)		13,065		13,065
Net Other Financing Sources (Uses)	140,425	674,296		814,721
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	10,677	(589,827)	74,543	(504,607)
Fund Balances July 1, 1985, as Previously Reported	94,826	2,294,463	2,351,382	4,740,671
Restatement of Fund Balances	32,596			32,596
Fund Balances July 1, 1985, as Restated	127,422	2,294,463	2,351,382	4,773,267
Fund Balances June 30, 1986	$ 138,099	$ 1,704,636	$ 2,425,925	$ 4,268,660

Debt service funds account for accumulation of resources for, and the payment of, principal and interest on general long-term obligations.

Debt Service Funds Descriptions

Highway Bond Series A and Highway Refunding Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for highway construction and maintenance. Revenue is provided by transfers from the General Fund of an allocation of gasoline taxes.

Highway Revenue Refunding Bond Retirement and Interest Fund — accounts for payment of principal and interest on revenue refunding bonds issued in 1986 to refund outstanding highway bonds previously issued. Revenue is provided by gasoline tax allocations transferred from the General Fund.

Port Development (Litton) Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction, expansion, and facilities improvement at the Port Authority at Jackson County. Revenue consists of lease payments received from the Ingalls Shipbuilding Division of Litton Industries, Inc. These payments are unconditionally guaranteed by Litton Industries, Inc.

Public School Building Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction of public school buildings. Funding consists of transfers from the General Fund.

Seed Testing Laboratory Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction of the seed testing laboratory at the Division of Plant Industry. Funding is provided by fees charged for testing seeds.

Fire Academy Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction at the State Fire Academy. Revenue is provided by transfers from the General Fund of a premium tax on multi-peril insurance.

Tennessee-Tombigbee River Bridge Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction of the Tennessee-Tombigbee Waterway Bridge. Funding sources include the Tennessee Valley Authority, ad valorem taxes, and investment income.

State Aid Road Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued to construct state and county roads. Funding consists of transfers from the General Fund.

Debt Service Funds

Combining Balance Sheet
June 30, 1986

	Highway Bond Series A and Highway Refunding Bond Retirement and Interest	Highway Revenue Refunding Bond Retirement and Interest	Port Development Bond Retirement and Interest	Public School Building Bond Retirement and Interest
Assets:				
Cash and cash equivalents	$ 135	$ 31,085,594	$ 485,278	$ 2,021,594
Investments		22,700,999		
Receivables, net		1,586,069		
Interfund receivables		3,216,171		
Note receivable			77,365,000	
Total Assets	$ 135	$ 58,588,833	$ 77,850,278	$ 2,021,594
Liabilities:				
Warrants payable	$	$	$ 474,519	$
Accounts payable		6,000		
Interfund payables		288,508		
Total Liabilities		294,508	474,519	
Fund Balances:				
Reserved for long-term note receivable			72,325,759	
Unreserved, designated for debt service	135	58,294,325	5,050,000	2,021,594
Total Fund Balances	135	58,294,325	77,375,759	2,021,594
Total Liabilities and Fund Balances	$ 135	$ 58,588,833	$ 77,850,278	$ 2,021,594

Seed Testing Laboratory Bond Retirement and Interest	Fire Academy Bond Retirement and Interest	Tennessee-Tombigbee River Bridge Bond Retirement and Interest	State Aid Road Bond Retirement and Interest	Total
$ 18,767	$ 746,025	$ 33,253,404	$ 1,889,226	$ 69,500,023
				22,700,999
		117,695		1,703,764
	230,327	11,747		3,458,245
				77,365,000
$ 18,767	$ 976,352	$ 33,382,846	$ 1,889,226	$ 174,728,031
$ 1,000	$	$	$ 156,370	$ 631,889
				6,000
				288,508
1,000			156,370	926,397
				72,325,759
17,767	976,352	33,382,846	1,732,856	101,475,875
17,767	976,352	33,382,846	1,732,856	173,801,634
$ 18,767	$ 976,352	$ 33,382,846	$ 1,889,226	$ 174,728,031

Debt Service Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1986

	Highway Bond Series A and Highway Refunding Bond Retirement and Interest	Highway Revenue Refunding Bond Retirement and Interest	Port Development Bond Retirement and Interest	Public School Building Bond Retirement and Interest
Revenues:				
Fees	$	$	$	$
Interest	3,955,690	3,342,185	4,068,740	
TVA payments in lieu of taxes				
Other	118	73,731		5,212
Total Revenues	3,955,808	3,415,916	4,068,740	5,212
Expenditures:				
Debt service:				
Bond principal retirement	300,000		6,436,213	5,350,000
Interest and other fiscal charges	13,608,895	6,103,780	4,068,693	3,264,692
Total Expenditures	13,908,895	6,103,780	10,504,906	8,614,692
Excess of Revenues over (under) Expenditures	(9,953,087)	(2,687,864)	(6,436,166)	(8,609,480)
Other Financing Sources (Uses):				
Proceeds of bond issues and refunding bonds		196,426,254		
Payments to refunded bond escrow agent	(143,222,825)	(170,056,498)		
Reduction in carrying value of investment securities in connection with bond refunding	(31,969,458)			
Operating transfers from General Fund	10,513,241	34,609,428		8,408,018
Operating transfers from (to) debt service funds	(3,005)	3,005		
Net Other Financing Sources (Uses)	(164,682,047)	60,982,189		8,408,018
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(174,635,134)	58,294,325	(6,436,166)	(201,462)
Fund Balances July 1, 1985, as Previously Reported	174,635,269	-0-	10,712	2,223,056
Restatement of Fund Balances			83,801,213	
Fund Balances July 1, 1985, as Restated	174,635,269	-0-	83,811,925	2,223,056
Fund Balances June 30, 1986	$ 135	$ 58,294,325	$ 77,375,759	$ 2,021,594

Seed Testing Laboratory Bond Retirement and Interest	Fire Academy Bond Retirement and Interest	Tennessee-Tombigbee River Bridge Bond Retirement and Interest	State Aid Road Bond Retirement and Interest	Total
$ 15,000	$	$	$	$ 15,000
		2,670,034		14,036,649
		11,249,406		11,249,406
		387		79,448
15,000		13,919,827		25,380,503
20,000		24,530,000	3,422,000	40,058,213
2,490		2,857,846	2,947,011	32,853,407
22,490		27,387,846	6,369,011	72,911,620
(7,490)		(13,468,019)	(6,369,011)	(47,531,117)
				196,426,254
				(313,279,323)
				(31,969,458)
	976,352	4,546,497	6,383,648	65,437,184
	976,352	4,546,497	6,383,648	(83,385,343)
(7,490)	976,352	(8,921,522)	14,637	(130,916,460)
25,257	-0-	42,290,541	1,718,219	220,903,054
		13,827		83,815,040
25,257	-0-	42,304,368	1,718,219	304,718,094
$ 17,767	$ 976,352	$ 33,382,846	$ 1,732,856	$ 173,801,634

Capital Projects Funds

Capital projects funds account for the acquisition or construction of major governmental general fixed assets.

Capital Projects Funds Descriptions

Employment Security Commission

Land and Building Fund — accounts for monies received from the federal government to purchase land and buildings for the Employment Security Commission.

Military Department

Mississippi National Guard Armory Fund — accounts for state funding for construction of new armories.

Bureau of Building, Grounds and Real Property Management

Construction and Improvement Fund — accounts for local, state, and federal funding for the construction, renovation, and repair of buildings and the purchase of equipment to be used by various state agencies and educational institutions.

Fire Academy Fund — accounts for bond proceeds used to construct facilities for the State Fire Academy.

Parks Construction Fund -- accounts for bond proceeds received for the construction of facilities at the various state parks for the Department of Natural Resources.

State of Mississippi

Capital Projects Funds

Combining Balance Sheet
June 30, 1986

	Bureau of Building, Grounds and Real Property Management			
	Construction and Improvement	Fire Academy	Parks	Total
Assets:				
Cash and cash equivalents	$ 14,552,370	$ 2,200,000	$ 3,143,026	$ 19,895,396
Interfund receivables	2,777,193			2,777,193
Total Assets	$ 17,329,563	$ 2,200,000	$ 3,143,026	$ 22,672,589
Liabilities:				
Warrants payable	$ 433,182	$	$ 7,193	$ 440,375
Fund Balances:				
Unreserved, designated for future capital projects	16,896,381	2,200,000	3,135,833	22,232,214
Total Liabilities and Fund Balances	$ 17,329,563	$ 2,200,000	$ 3,143,026	$ 22,672,589

State of Mississippi

Capital Projects Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1986

	Employment Security Commission	Military Department	Bureau of Building, Grounds and Real Property Management			
	Land and Building	National Guard Armory	Construction and Improvement	Fire Academy	Parks	Total
Revenues:						
Licenses, fees and permits	$	$	$ 273,540	$	$	$ 273,540
Federal government	3,784					3,784
Total Revenues	3,784		273,540			277,324
Expenditures:						
Capital outlay	3,784	214,689	24,400,974		202,239	24,821,686
Excess (Deficiency) of Revenues over Expenditures	-0-	(214,689)	(24,127,434)		(202,239)	(24,544,362)
Other Financing Sources (Uses):						
Proceeds from general obligation bond issues				2,200,000		2,200,000
Operating transfers from General Fund		214,689	25,565,037			25,779,726
Other operating transfers in (out)			(3,747,404)			(3,747,404)
Net Other Financing Sources (Uses)		214,689	21,817,633	2,200,000		24,232,322
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-0-	-0-	(2,309,801)	2,200,000	(202,239)	(312,040)
Fund Balances July 1, 1985	-0-	-0-	19,206,182	-0-	3,338,072	22,544,254
Fund Balances June 30, 1986	$ -0-	$ -0-	$ 16,896,381	$ 2,200,000	$ 3,135,833	$ 22,232,214

Enterprise funds account for the operations of the State that provide goods or services to the general public on a user charge basis.

Enterprise Funds Descriptions

Department of Agriculture and Commerce

Division of Lime Fund — accounts for all revenues and expenses from the operation of three lime plants. Operating expenses include royalties paid to owners of the land from which the lime is extracted. Revenue is derived from the sale of lime to the public.

Authority for Control of Fire Ants Fund — accounts for activities of the Authority for Control of Fire Ants which was established to manufacture and sell fire ant bait to the public. In 1978, the Environmental Protection Agency banned the manufacture and sale of the bait "mirex", and all manufacturing ceased. The plant, located at Prairie, Mississippi, remains in operation experimenting with new baits.

Farmers' Central Market Board Fund — accounts for the construction, maintenance, and operation of facilities for processing, storing, and marketing agricultural products. Funding is derived from rental income.

Department of Public Safety

Commissary Fund — accounts for the operations of a commissary maintained at the Mississippi Law Enforcement Training Academy.

Department of Economic Development

Certified Development Company, Inc. — provides loans to nonagricultural small businesses.

Fair Commission

Fair Commission Fund — accounts for expenses of the Fair Commission's operation of the coliseum, Dixie National Livestock Show, and Industrial Showcase Building, including payment of maturing bond interest and principal. Funding sources include gross receipts from the state fair, livestock show, Industrial Building, and other events conducted at the coliseum and fairgrounds, as well as operating transfers from the General Fund and proceeds from bond issues.

Department of Natural Resources

Water Pollution Abatement Revolving Loan Fund — provides loans to municipalities for water pollution control projects. Revenue is derived from interest earned on loans.

Department of Corrections

Prison Industries Fund — accounts for a janitorial supplies production operation, a garden operation, a book bindery, and a timber cutting operation. Revenue sources include proceeds from the sale of janitorial supplies, garden produce and firewood, fees collected for bindery services, and rental income from leased Department of Corrections' land.

Lake Lodge Fund — accounts for operations of a cafeteria maintained for the convenience of Department of Corrections penitentiary employees.

Commissary Fund — accounts for operations of the commissary. Profits are used for the special benefit of the penitentiary's residents.

Veterans' Farm and Home Board

Veterans' Farm and Home Board Fund — provides home mortgage loans to qualified Mississippi veterans and accounts for administrative expenses of the Veterans' Farm and Home Board. Revenue is derived from interest earned on loans.

Memorial Stadium Commission

Memorial Stadium Commission Fund — accounts for operations of the Memorial Stadium in Jackson, including the payment of maturing bond interest and principal. Funding is provided by admission fees and concessions.

Bureau of Surplus Property

Bureau of Surplus Property Fund — receives and maintains an inventory of surplus federal property and redistributes it to state agencies and departments, counties, municipalities, and other eligible donees within the State. Fees are collected from the donees to offset operating costs.

Port Authority at Gulfport

Port Authority at Gulfport Fund — accounts for operations of a public port providing facilities for foreign and domestic trade. Funding is provided by gross receipts from port operations, proceeds from bond issues, and interest income. Expenses include port operation, construction, and the payment of maturing bond interest and principal.

Yellow Creek Inland Port Authority

Yellow Creek Inland Port Authority Fund — accounts for operations of a public port facility at the conjunction of the Tennessee River and Yellow Creek in Tishomingo County, Mississippi. All costs of operating this port are accounted for in this fund, including construction costs and the payment of maturing bond interest and principal. Funding is provided by gross receipts from port operations, proceeds from bond issues, and interest income.

Department of Rehabilitation Services

Allied Enterprises Fund — accounts for a statewide system of sheltered workshop facilities through which handicapped citizens receive work experience to prepare them for employment outside of the Allied Enterprises setting. Revenue is generated from the sale of goods and services and operating transfers from the rehabilitation services fund.

Mississippi Housing Finance Corporation

Mississippi Housing Finance Corporation Fund — provides monies to finance the acquisition, construction, rehabilitation, and improvement of residential housing for lower and moderate income families within the State. Funding is derived from interest earned on mortgage loans, investment income, and proceeds from the issuance of revenue bonds.

Mississippi Industries for the Blind

Mississippi Industries for the Blind Fund — accounts for expenses relating to the establishment of industries, businesses, shops, and workshops primarily for the employment of blind persons, the procurement of materials for use in rehabilitating blind persons for employment, and the employment of blind persons and the marketing of their products. Revenue is derived principally from the sale of goods manufactured.

Mississippi Hospital Equipment Financing Authority

Mississippi Hospital Equipment Financing Authority Fund — accounts for the proceeds of bond issuances used primarily for the purpose of paying for or making loans to participating Mississippi hospital institutions for financing or refinancing of all or any part of the cost of hospital equipment and for refunding outstanding bonds. Expenses include administrative and bond issuance costs. Additional funding is provided by interest on loans and investments.

Enterprise Funds

Combining Balance Sheet
June 30, 1986

	Department of Agriculture and Commerce			Department of Public Safety	Department of Economic Development	
	Division of Lime	Authority for Control of Fire Ants	Farmers' Central Market Board	Commissary	Certified Development Company, Inc.	**Fair Commission**
Assets:						
Current assets:						
Cash and cash equivalents	$ 46,809	$ 106,352	$ 138,973	$ 96	$ 5,886,044	$ 2,777,997
Receivables, net:						
Accounts	21,976		7,712		39,272	7,452
Interest					46,937	7,184
Loans - current portion					177,338	
Due from other governments - current portion						
Interfund receivables		50,000				
Inventories						
Prepaid expenses	1,374					2,232
Other		55,387				
Total Current Assets	70,159	211,739	146,685	96	6,149,591	2,794,865
Restricted assets						
Long-term investments					149,580	
Loans receivable, net of current portion						
Due from other governments, net of current portion						
Land		3,255	38,280			945,130
Buildings and improvements, net	432,923	100,872	871,941			4,646,901
Machinery and equipment, net	763,103	180,887	35,739		7,109	263,754
Construction in progress			4,088			31,189
Total Assets	$ 1,266,185	$ 496,753	$ 1,096,733	$ 96	$ 6,306,280	$ 8,681,839
Liabilities:						
Current liabilities:						
Warrants payable	$ 17,230	$ 4,607	$ 18,405	$	$ 4,289	$ 31,534
Accounts payable and accruals	25,739	6,270	50,227		5,637	245,773
Due to other governments						
Interfund payables	101,208	101,559	1,268			2,731
Loans and notes payable - current portion			33,580			
Current portion of long-term general obligation bonds						
Current portion of long-term revenue bonds						86,000
Deferred revenues			1,579			
Other liabilities					339,110	1,912
Total Current Liabilities	144,177	112,436	105,059		349,036	367,950
Loans and notes payable, net of current portion	43,885		221,193			
Long-term obligation - general obligation bonds payable, net of current portion and unamortized discount						
Long-term obligation - revenue bonds payable, net of current portion and unamortized discount						1,842,000
Other obligations						
Total Liabilities	188,062	112,436	326,252		349,036	2,209,950
Fund Equity:						
Contributed capital		13,010	8,312		4,995,426	
Retained earnings:						
Reserved for:						
Bond retirement						439,654
Other						
Unreserved	1,078,123	371,307	762,169	96	961,818	6,032,235
Total Fund Equity	1,078,123	384,317	770,481	96	5,957,244	6,471,889
Total Liabilities and Fund Equity	$ 1,266,185	$ 496,753	$ 1,096,733	$ 96	$ 6,306,280	$ 8,681,839

Department of Natural Resources	Department of Corrections					
Water Pollution Abatement Revolving Loan	Prison Industries	Lake Lodge	Commissary	Veterans' Farm and Home Board	Memorial Stadium Commission	Bureau of Surplus Property
$	$ 545,277	$ 269,735	$ 1,400,387	$	$ 1,227,840	$ 555,649
		2,167	20,884	3,456,220	137,353	
113,087			21,734	38,721	2,374	4,664
113,087	545,277	271,902	1,443,005	3,494,941	1,367,567	560,313
	187,771	227,467	1,054,826			
	274,054	39,887	65,894	295,654	150,004	387,015
30,189	136,951	12,459	59,314	94,244	636,621	62,379
	231,999	675	99,499	11,359	62,176	49,842
					208,741	
	51,511	735	6,356	1,783	223,639	16,712
	1,627		755	115	39,978	45
30,189	883,913	281,223	1,286,644	403,155	1,321,159	515,993
82,898	(338,636)	(9,321)	156,361	3,091,786	46,408	44,320
	(7,237)					563
	5,248	5,416	64,193			
	(1,989)	5,416	64,193			563
					17,101	
82,898	(340,625)	(3,905)	220,554	3,091,786	29,307	44,883
	525,625	20,921	16,398			
82,898	185,000	17,016	236,952	3,091,786	29,307	44,883
33,386,629	1,821,309	54,945	326,205	46,023,881	1,946,351	436,552
	(274,377)	(316)				
33,386,629	1,546,932	54,629	326,205	46,023,881	1,946,351	436,552
$ 33,469,527	$ 1,731,932	$ 71,645	$ 563,157	$ 49,115,667	$ 1,975,658	$ 481,435

Department of Natural Resources	**Department of Corrections**					
Water Pollution Abatement Revolving Loan	Prison Industries	Lake Lodge	Commissary	**Veterans' Farm and Home Board**	**Memorial Stadium Commission**	**Bureau of Surplus Property**
$ 3,979,067	$ 1,323,999	$ 46,525	$ 420,591	$ 1,867,538	$ 2,010,451	$ 159,436
	55,739	13,582	39,323	3,764	53,146	8,516
					16,551	
	12,670			2,325,000		
2,524,990						69,038
415,818						5,158
	150,525	15,731	112,354			
				50,000		1,141
6,919,875	1,542,933	75,838	572,268	4,246,302	2,080,148	243,289
				45,179,138		
26,951,435						
					143,000	100,000
	111,397		9,784		3,792,722	169,496
	564,865	18,863	62,894	16,259	20,033	46,207
$ 33,871,310	$ 2,219,195	$ 94,701	$ 644,946	$ 49,441,699	$ 6,035,903	$ 558,992
$	$ 56,682	$	$	$ 258,117	$ 11,385	$ 31,391
349	62,774	23,027	81,789	66,542	287,885	11,816
400,000						
1,434	1,223			1,373	975	1,992
					130,000	
						3,639
401,783	120,679	23,027	81,789	326,032	430,245	48,838
					1,000,000	
					2,630,000	
						28,719
401,783	120,679	23,027	81,789	326,032	4,060,245	77,557
	366,584	29				
	996,061					
33,469,527	735,871	71,645	563,157	49,115,667	1,975,658	481,435
33,469,527	2,098,516	71,674	563,157	49,115,667	1,975,658	481,435
$ 33,871,310	$ 2,219,195	$ 94,701	$ 644,946	$ 49,441,699	$ 6,035,903	$ 558,992

		Department of Rehabilitation Services				
Port Authority at Gulfport	Yellow Creek Inland Port Authority	Allied Enterprises	Mississippi Housing Finance Corporation	Mississippi Industries for the Blind	Mississippi Hospital Equipment Financing Authority	Total
$ 2,749,376	$ 201,360	$ 497,079	$ 120,935	$ 1,272,537	$ 15,627,127	$ 39,232,292
341,797	50,591	799,600		1,609,820		3,052,290
10,691			13,752,388			13,833,751
24,729			12,992,940		2,611,665	18,144,342
						2,594,028
		22,341				493,317
		158,348		2,781,826		3,218,784
			34,105	22,229	7,500	118,581
			1,035,460		702,479	1,793,326
3,126,593	251,951	1,477,368	27,935,828	5,686,412	18,948,771	82,480,711
309,481						309,481
			176,051,947			176,201,527
188,174			376,795,151		7,834,993	429,997,456
						26,951,435
24,000	949,175			12,500		2,215,340
12,788,314	166,082			629,599		23,720,031
2,385,184	239,301			762,440		5,366,638
2,590,243						2,625,520
$ 21,411,989	$ 1,606,509	$ 1,477,368	$ 580,782,926	$ 7,090,951	$ 26,783,764	$ 749,868,139
$ 18,386	$	$	$	$	$	$ 452,026
1,182,490	25,877	136,541	20,003,045	1,013,361	974,094	24,203,236
						400,000
						213,763
						33,580
1,060,000	110,000					1,300,000
			5,850,000		5,619,850	11,555,850
			2,524,745			2,529,963
		64,248				405,270
2,260,876	135,877	200,789	28,377,790	1,013,361	6,593,944	41,093,688
						1,265,078
18,572,000	485,000					21,687,000
			534,101,272		19,945,150	555,888,422
22,964				152,096		203,779
20,855,840	620,877	200,789	562,479,062	1,165,457	26,539,094	620,137,967
				3,366,673		8,750,034
286,517						726,171
						996,061
269,632	985,632	1,276,579	18,303,864	2,558,821	244,670	119,257,906
556,149	985,632	1,276,579	18,303,864	5,925,494	244,670	129,730,172
$ 21,411,989	$ 1,606,509	$ 1,477,368	$ 580,782,926	7,090,951	$ 26,783,764	$ 749,868,139

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended June 30, 1986

	Department of Agriculture and Commerce			Department of Public Safety	Department of Economic Development	
	Division of Lime	Authority for Control of Fire Ants	Farmers' Central Market Board	Commissary	Certified Development Company, Inc.	**Fair Commission**
Operating Revenues:						
Charges for sales and services	$ 360,852	$ 19,044	$	$	$	$ 2,072,137
Interest income					381,783	90,968
Rental income			281,684			
Other	5,801	5			47,537	11,197
Total Operating Revenues	366,653	19,049	281,684		429,320	2,174,302
Operating Expenses:						
Cost of goods sold	360,509	9,443				
General and administrative	4,084	71,508	175,792		73,077	653,585
Contractual services	17,906	37,319	46,480		13,375	1,357,883
Commodities	3,999	1,564	9,178		1,370	139,948
Interest						92,559
Depreciation	121,545	17,892	40,817		3,261	248,515
Amortization of goodwill and bond issuance costs		1,857				
Other					82,082	48
Total Operating Expenses	508,043	139,583	272,267		173,165	2,492,538
Operating Income (Loss)	(141,390)	(120,534)	9,417		256,155	(318,236)
Nonoperating Revenues:						
Gain (loss) on disposal of fixed assets		2,770				
Insurance recovery						
Other	751	1,540	223			10,016
Total Nonoperating Revenues	751	4,310	223			10,016
Nonoperating Expenses		3,162				
Income (Loss) Before Operating Transfers	(140,639)	(119,386)	9,640		256,155	(308,220)
Operating transfers from General Fund		(100,081)				62,557
Operating transfers from Other Funds						
Net Income (Loss)	(140,639)	(219,467)	9,640		256,155	(245,663)
Retained Earnings July 1, 1985, as Previously Reported	1,218,762	590,774	752,529	96	705,663	6,717,552
Restatement						
Retained Earnings July 1, 1985, as Restated	1,218,762	590,774	752,529	96	705,663	6,717,552
Retained Earnings June 30, 1986	$ 1,078,123	$ 371,307	$ 762,169	$ 96	$ 961,818	$ 6,471,889

Port Authority at Gulfport	Yellow Creek Inland Port Authority	Department of Rehabilitation Services	Mississippi Housing Finance Corporation	Mississippi Industries for the Blind	Mississippi Hospital Equipment Financing Authority	Total
		Allied Enterprises				
$ 3,455,387	$ 568,372	$ 4,606,746	$	$ 14,834,045	$	$ 29,915,471
277,188	12,364	23,722	57,993,302	55,728	2,300,228	64,751,907
	8,925					290,609
629,197	2,907	124,376	4,602,846	11,074	10,000	5,625,520
4,361,772	592,568	4,754,844	62,596,148	14,900,847	2,310,228	100,583,507
		1,743,882		12,921,559		16,505,457
1,297,320	218,693	5,555,206	273,224	899,880	21,475	10,456,349
1,018,470	180,555	718,435				4,422,580
633,839	43,672	554,018				1,843,138
1,277,336	11,740		53,820,543		1,948,188	57,359,107
585,641	102,808		1,663	151,902		1,574,780
			96,346		231,267	329,470
	1,650		725,921	1,063,916	7,559	1,923,696
4,812,606	559,118	8,571,541	54,917,694	15,037,257	2,208,489	94,414,577
(450,834)	33,450	(3,816,697)	7,678,454	(136,410)	101,739	6,168,930
						(3,904)
156,199						156,199
13,205						100,592
169,404						252,887
9,157						29,420
(290,587)	33,450	(3,816,697)	7,678,454	(136,410)	101,739	6,392,397
						(37,524)
		3,957,396				4,520,340
(290,587)	33,450	140,699	7,678,454	(136,410)	101,739	10,875,213
896,782	952,182	1,135,880	10,625,410	2,523,418	142,931	110,257,851
(50,046)				171,813		(152,926)
846,736	952,182	1,135,880	10,625,410	2,695,231	142,931	110,104,925
$ 556,149	$ 985,632	$ 1,276,579	$ 18,303,864	$ 2,558,821	$ 244,670	$ 120,980,138

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1986

	Department of Agriculture and Commerce			Department of Public Safety	Department of Economic Development	
	Division of Lime	Authority for Control of Fire Ants	Farmers' Central Market Board	Commissary	Certified Development Company, Inc.	**Fair Commission**
Sources of Working Capital:						
Operations:						
Net income (loss)	$ (140,639)	$ (219,467)	$ 9,640	$	$ 256,155	$ (245,663)
Items not requiring (providing) working capital:						
Depreciation	121,545	17,892	40,817		3,261	248,515
Amortization		1,857				
Other		12,620				
Working Capital Provided by Operations	(19,094)	(187,098)	50,457		259,416	2,852
Proceeds from loan receipts	5,285		85,000			
Proceeds from sale of bonds						1,650,000
Disposal of fixed assets		47,340				
Repayment of loans receivable						
Decrease in restricted assets						
Total Sources of Working Capital	(13,809)	(139,758)	135,457		259,416	1,652,852
Uses of Working Capital:						
Acquisition of fixed assets and investments	4,201	12,620	35,883		4,034	34,505
Retirement of loans, notes and bonds payable, net of current portion	5,021		25,080			86,000
Issuance of new loans, net of change in current portion						
Other						
Total Uses of Working Capital	9,222	12,620	60,963		4,034	120,505
Net Increase (Decrease) in Working Capital	$ (23,031)	$ (152,378)	$ 74,494	$ -0-	$ 255,382	$ 1,532,347
Elements of Net Increase (Decrease) in Working Capital:						
Cash and cash equivalents	$ (7,529)	$ (70,895)	$ 128,289	$	$ 264,635	$ 1,488,860
Accounts receivable	(28,239)		281		39,272	1,655
Interest receivable					(6,656)	2,385
Loans receivable - current portion					3,086	
Due from other governments - current portion		6,529				
Interfund receivables						
Inventories		9,443				
Prepaid expenses	42	5,669				365
Other assets						
Warrants payable	(17,230)	(4,607)	(18,405)		(4,289)	(31,534)
Accounts payable and accruals	31,133	1,490	(33,237)		(4,941)	(159,603)
Interfund payables	(1,208)	(100,007)	(855)			127,886
Loans and notes payable - current portion						153,333
Current portion of long-term debt						(51,000)
Deferred revenues			(1,579)			
Other liabilities					(35,725)	
Net Increase (Decrease) in Working Capital	$ (23,031)	$ (152,378)	$ 74,494	$ -0-	$ 255,382	$ 1,532,347

Department of Natural Resources	**Department of Corrections**					
Water Pollution Abatement Revolving Loan	Prison Industries	Lake Lodge	Commissary	**Veterans' Farm and Home Board**	**Memorial Stadium Commission**	**Bureau of Surplus Property**
$ 82,898	$ 185,000	$ 17,016	$ 236,952	$ 3,091,786	$ 29,307	$ 44,883
	51,511	735	6,356	1,783	223,639	16,712
	(8,367)	(1,060)	1,930			
82,898	228,144	16,691	245,238	3,093,569	252,946	61,595
	7,237		864		17,101	
2,782,236				2,312,630		
2,865,134	235,381	16,691	246,102	5,406,199	270,047	61,595
	14,087	1,463	49,221		13,199	13,405
					130,000	
2,028,802				6,805,829		
				1,193,317		563
2,028,802	14,087	1,463	49,221	7,999,146	143,199	13,968
$ 836,332	$ 221,294	$ 15,228	$ 196,881	$ (2,592,947)	$ 126,848	$ 47,627
$ 720,391	$ 320,403	$ 15,409	$ 186,582	$ (2,089)	$ 192,260	$ 68,919
	(29,598)	5,434	38,513	89	(11,976)	(66,689)
					16,551	
179,066				(2,979,985)		
			(1,059)			69,038
						5,158
	(61,553)	1,685	(4,449)			
				50,000	(1,511)	(467)
	(56,682)			(258,117)	(11,385)	(31,391)
(63,125)	48,372	(7,543)	(39,023)	597,496	(51,116)	8,690
	352		16,317	(341)	(975)	(1,992)
					(5,000)	
						(3,639)
		243				
$ 836,332	$ 221,294	$ 15,228	$ 196,881	$ (2,592,947)	$ 126,848	$ 47,627

Port Authority at Gulfport	Yellow Creek Inland Port Authority	Department of Rehabilitation Services	Mississippi Housing Finance Corporation	Mississippi Industires for the Blind	Mississippi Hospital Equipment Financing Authority	Total
		Allied Enterprises				
$ (290,587)	$ 33,450	$ 140,699	$ 7,678,454	$ (136,410)	$ 101,739	$ 10,875,213
585,641	102,808		1,663	151,902		1,574,780
			96,346		231,267	329,470
22,462			1,186,272	237,116		1,450,973
317,516	136,258	140,699	8,962,735	252,608	333,006	14,230,436
						90,285
			195,700,000			197,350,000
547	33,521			5,112		111,722
			10,090,899		1,958,924	17,144,689
448,951						448,951
767,014	169,779	140,699	214,753,634	257,720	2,291,930	229,376,083
2,594,317			55,618,221	126,200		58,521,356
1,060,000	110,000		11,940,182			13,356,283
			144,324,965		669,451	153,829,047
(22,964)						1,170,916
3,631,353	110,000		211,883,368	126,200	669,451	226,877,602
$ (2,864,339)	$ 59,779	$ 140,699	$ 2,870,266	$ 131,520	$ 1,622,479	$ 2,498,481
$ (1,665,538)	$ 16,649	$ 39,027	$ (290,237)	$ 46,482	$ 1,284,430	$ 2,736,048
(181,764)	(5,725)	6,600	(750,663)	161,989		(820,821)
(8,779)			7,788,529			7,792,030
3,256			7,492,940		330,549	5,028,912
						74,508
		22,341		(570,496)		(542,997)
		(1,723)				(56,597)
			28,045			82,143
			193,654	(2,991)	7,500	198,163
(18,386)						(452,026)
(961,128)	53,855	38,378	(8,369,592)	496,536		(8,413,358)
		36,306				75,483
(32,000)		64,018				185,351
	(5,000)		(2,450,000)			(2,511,000)
			(772,410)			(777,628)
		(64,248)				(99,730)
$ (2,864,339)	$ 59,779	$ 140,699	$ 2,870,266	$ 131,520	$ 1,622,479	$ 2,498,481

Internal service funds account for the operations of state agencies that provide services or goods to other state agencies or governmental units on a cost reimbursement basis.

Internal Service Funds Descriptions

Personnel Board

Personnel Administration Fund — accounts for the expenses of establishing personnel policies, regulating the pay of state employees, and testing and validating new hires. Revenues consist of assessments charged to state agencies based on the number of authorized positions.

Personnel Test Validation Fund — accounts for the expenses of assuring the validity of tests given for promotions and new hires. Funding is provided by transfers from the General Fund.

Central Data Processing Authority

Data Processing Services Fund — accounts for the purchase, maintenance, and operation of centralized data processing and information devices used by state agencies. Revenues consist of charges to user agencies.

Planning and Policy Fund — accounts for expenses related to planning and policies for the development of data processing capabilities for state agencies. Revenues consist of charges to user agencies.

Telecommunications Fund — accounts for the maintenance, coordination, and usage of the State's central telephone system and the universities' central telephone systems. Revenues consist of charges to user agencies and universities for service and equipment.

Equipment Purchase Fund — accounts for financing activities in connection with the purchase of data processing equipment for state agencies and universities.

Combining Balance Sheet
June 30, 1986

	Personnel Board	
	Personnel Administration	Personnel Test Validation
Assets:		
Current assets:		
Cash and cash equivalents	$ 785,292	$ 37,897
Accounts receivable		
Interfund receivables	17,004	
Prepaid expenses		
Total Current Assets	802,296	37,897
Restricted assets		
Machinery and equipment, net	131,297	
Total Assets	$ 933,593	$ 37,897
Liabilities:		
Current liabilities:		
Warrants payable	$ 145,980	$ 37,500
Accounts payable and accruals	84,322	
Interfund payables	5,667	
Lease obligations payable, current portion		
Total Current Liabilities	235,969	37,500
Lease obligations payable, net of current portion		
Total Liabilities	235,969	37,500
Fund Equity:		
Retained earnings, unreserved	697,624	397
Total Liabilities and Fund Equity	$ 933,593	$ 37,897

Central Data Processing Authority

Data Processing Services	Planning and Policy	Telecommunications	Equipment Purchase	Total
$ 4,596,435	$ 480,273	$ 805,259	$ 14,195	$ 6,719,351
12,580	3,707	26,949		43,236
387,552	97,775	496,378	117,867	1,116,576
		15,223		15,223
4,996,567	581,755	1,343,809	132,062	7,894,386
			2,170,149	2,170,149
3,984,227	102,833	2,170,416		6,388,773
$ 8,980,794	$ 684,588	$ 3,514,225	$ 2,302,211	$ 16,453,308
$ 247,684	$ 41,184	$ 29,967	$	$ 502,315
303,185	64,258	1,042,227		1,493,992
5,971	7,343	176,727	2,302,211	2,497,919
788,382		709,572		1,497,954
1,345,222	112,785	1,958,493	2,302,211	5,992,180
946,406		611,956		1,558,362
2,291,628	112,785	2,570,449	2,302,211	7,550,542
6,689,166	571,803	943,776	-0-	8,902,766
$ 8,980,794	$ 684,588	$ 3,514,225	$ 2,302,211	$ 16,453,308

Combining Statement of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended June 30, 1986

	Personnel Board	
	Personnel Administration	Personnel Test Validation
Operating Revenues:		
Charges for goods and services	$ 2,066,716	$ 225,354
Other	3,326	
Total Operating Revenues	2,070,042	225,354
Operating Expenses:		
Personal services:		
Salaries, wages and fringe benefits	1,531,949	
Travel	19,356	
Contractual services	460,020	438,750
Commodities	42,717	
Depreciation	34,895	
Total Operating Expenses	2,088,937	438,750
Operating Income (Loss)	(18,895)	(213,396)
Nonoperating Expenses	235	
Income (Loss) Before Operating Transfers	(19,130)	(213,396)
Operating transfers from (to) internal service funds		
Operating transfers from (to) General Fund		213,750
Operating transfers from (to) universities		
Net Income (Loss)	(19,130)	354
Retained Earnings July 1, 1985, as Previously Reported	716,764	43
Prior Period Adjustments	(10)	
Retained Earnings July 1, 1985, as Restated	716,754	43
Retained Earnings June 30, 1986	$ 697,624	$ 397

Central Data Processing Authority

Data Processing Services	Planning and Policy	Telecommunications	Equipment Purchase	**Total**
$ 5,608,892	$ 312,489	$ 4,476,329	$	$ 12,689,780
				3,326
5,608,892	312,489	4,476,329		12,693,106
1,525,892	400,817	307,284		3,765,942
27,880	15,857	16,792		79,885
1,246,656	133,724	3,452,394		5,731,544
93,994	6,964	10,548		154,223
968,117	7,760	444,130		1,454,902
3,862,539	565,122	4,231,148		11,186,496
1,746,353	(252,633)	245,181		1,506,610
1,813,980		165,595		1,979,810
(67,627)	(252,633)	79,586		(473,200)
(15,817)		15,817		
276,249	623,338	203,150		1,316,487
			(7,500)	(7,500)
192,805	370,705	298,553	(7,500)	835,787
6,511,896	201,098	511,961	7,500	7,949,262
(15,535)		133,262		117,717
6,496,361	201,098	645,223	7,500	8,066,979
$ 6,689,166	$ 571,803	$ 943,776	$ -0-	$ 8,902,766

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1986

	Personnel Board	
	Personnel Administration	Personnel Test Validation
Sources of Working Capital:		
Operations:		
Net income (loss)	$ (19,130)	$ 354
Items not requiring working capital:		
Depreciation	34,895	
Other		
Working Capital Provided by Operations	15,765	354
Disposal of machinery and equipment	235	
Net increase in long-term obligations under capital lease		
Total Sources of Working Capital	16,000	354
Uses of Working Capital:		
Acquisition of machinery and equipment	17,402	
Decrease in long-term loans from other funds		
Increase in restricted assets		
Total Uses of Working Capital	17,402	
Net Increase (Decrease) in Working Capital	$ (1,402)	$ 354
Elements of Net Increase (Decrease) in Working Capital:		
Cash and cash equivalents	$ 94,594	$ 37,854
Accounts receivable		
Interfund receivables	6,797	
Prepaid expenses		
Warrants payable	(145,980)	(37,500)
Accounts payable and accruals	(2,054)	
Interfund payables	45,241	
Net Increase (Decrease) in Working Capital	$ (1,402)	$ 354

Central Data Processing Authority

Data Processing Services	Planning and Policy	Telecommunications	Equipment Purchase	Total
$ 192,805	$ 370,705	$ 298,553	$ (7,500)	$ 835,787
968,117	7,760	444,130		1,454,902
(5,243)		114,042		108,799
1,155,679	378,465	856,725	(7,500)	2,399,488
1,647,750				1,647,985
707,717		119,999		827,716
3,511,146	378,465	976,724	(7,500)	4,875,189
3,469,037	109,775	1,118,617		4,714,831
			2,287,030	2,287,030
			592,969	592,969
3,469,037	109,775	1,118,617	2,879,999	7,594,830
$ 42,109	$ 268,690	$ (141,893)	$ (2,887,499)	$ (2,719,641)
$ 1,078,733	$ 285,976	$ 480,388	$ (593,979)	$ 1,383,566
10,535	(27,268)	26,949		10,216
(152,375)	97,775	46,118	(599,179)	(600,864)
		15,223		15,223
(247,684)	(41,184)	(29,967)		(502,315)
(703,153)	(39,266)	(516,227)		(1,260,700)
56,053	(7,343)	(164,377)	(1,694,341)	(1,764,767)
$ 42,109	$ 268,690	$ (141,893)	$ (2,887,499)	$ (2,719,641)

Trust and agency funds account for assets held by the State in a fiduciary capacity.

Significant Trust and Agency Funds Descriptions

EXPENDABLE TRUST FUNDS.

Fiscal Management Board

Group Insurance Fund — accounts for resources and transactions pertaining to the State's self-insured medical plan and life insurance program. State employees' premiums are funded by the State. Additional funding is provided by retired employees and by active employees for spouse and dependent medical coverage. Administrative expenses and benefits to eligible claimants are paid from this fund.

State Employees' Unemployment Insurance Fund — accounts for unemployment benefits paid to eligible former state employees. Funding is provided by premiums collected from the State's operating funds.

Employment Security Commission

Unemployment Compensation Fund — accounts for the collection of unemployment insurance taxes from employers and the payment of unemployment benefits to eligible claimants. Funds are also provided by the federal government and interest income. Administrative expenses incurred by the Employment Security Commission are accounted for in a special revenue fund.

NONEXPENDABLE TRUST FUNDS.

School for the Blind

School for the Blind Endowment Fund — accounts for endowment trusts whose income is used for the benefit of blind children at the school.

Treasurer

Oil and Gas Taxes on State-owned Land Fund — accounts for oil and gas royalties collected on state-owned lands and transferred from the General Fund. The principal is required by statute to remain inviolate. Income derived from the investment of the principal may be appropriated for specific uses by the Legislature.

Department of Archives and History

Dunbar Rowland Fund — provides for funds to purchase books and historical manuscripts.

Stonewall Jackson Memorial Fund — provides for funds to award higher education scholarship awards to winners of an essay contest.

PENSION TRUST FUNDS.

Public Employees' Retirement System

Public Employees' Retirement System Fund — provides retirement and disability coverage to substantially all employees of the State and its political subdivisions. Benefits are funded by contributions from the members, the State, and political subdivisions and by investment income.

Highway Safety Patrol Retirement System Fund — provides retirement and disability benefits to uniformed officers of the Department of Public Safety. Benefits are funded by contributions of the members and the State, driver's license reinstatement fees, and investment income.

AGENCY FUNDS.

Deferred Compensation Plan Fund — accounts for deposits of gross compensation deferred by employees of the State and its political subdivisions. These deposits are invested until the retirement, severance from public service, death, or extreme hardship of the individual participants.

Social Security Fund — accounts for contributions received or due from the State and the various political subdivisions that are due to the federal Social Security Administration.

Local Government Distributive Fund — serves as a clearing mechanism for funds distributed to the various counties and municipalities of the State.

Program Fund — accounts for receipt of various taxes, refundable deposits, and other monies collected or recovered to be held until the State has the right or obligation to distribute them to state operating funds or to various entities or individuals.

Institutional Fund — accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

Highway Refunded Bonds Fund — serves as a clearing mechanism to account for monies earned on escrow funds held for highway bonds that have been fully defeased. The funds are transferred to the paying agent to pay bonds and coupons that mature.

Trust and Agency Funds

Combining Balance Sheet
June 30, 1986

	Trust				
	Expendable	Nonexpendable	Pension	Agency	Total
Assets:					
Cash and cash equivalents	$ 23,685,438	$ 18,961,782	$ 211,627,540	$ 36,814,473	$ 291,089,233
Amount on deposit with U.S. Treasury	359,809,752				359,809,752
Investments			2,335,659,272	76,527,534	2,412,186,806
Collateral held under reverse repurchase agreements			348,125,534		348,125,534
Receivables:					
Taxes	35,017,990				35,017,990
Interest and dividends	8,974,800	87,558	45,873,882	582,008	55,518,248
Due from other governments	155,262				155,262
Contributions			27,974,210	25,547,353	53,521,563
Other	2,254,551		3,940,157	1,109,175	7,303,883
Interfund receivables	2,737,515		67,653,450	5,751,672	76,142,637
Loans to other funds	2,800,000				2,800,000
Land			508,000		508,000
Buildings			3,454,000		3,454,000
Improvements other than buildings, net			125,595		125,595
Machinery and equipment, net			432,871		432,871
Total Assets	$ 435,435,308	$ 19,049,340	$ 3,045,374,511	$ 146,332,215	$ 3,646,191,374
Liabilities:					
Warrants payable	$ 378,920	$	$ 211,696	$ 2,290,935	$ 2,881,551
Accounts payable and accruals	11,425,305		32,687,699	1,414,880	45,527,884
Due to other governments	214,565			29,897,347	30,111,912
Interfund payables	99,446	660,578	72,589,300	220,865	73,570,189
Amounts held in custody for others	356	600		112,508,188	112,509,144
Obligations under reverse repurchase agreements			348,125,534		348,125,534
Deferred revenues	554,990				554,990
Other liabilities	5,793				5,793
Total Liabilities	12,679,375	661,178	453,614,229	146,332,215	613,286,997
Fund Balances:					
Reserved for:					
Pension benefits			2,591,760,282		2,591,760,282
Life and health insurance benefits	11,753,376				11,753,376
Unemployment compensation benefits	408,099,344				408,099,344
Loans to other funds	2,800,000				2,800,000
Other		16,890,626			16,890,626
Unreserved:					
Undesignated	103,213	1,497,536			1,600,749
Total Fund Balances	422,755,933	18,388,162	2,591,760,282		3,032,904,377
Total Liabilities and Fund Balances	$ 435,435,308	$ 19,049,340	$ 3,045,374,511	$ 146,332,215	$ 3,646,191,374

Expendable Trust Funds

Combining Balance Sheet
June 30, 1986

	Fiscal Management Board		Employment Security Commission
	Group Insurance	State Employees' Unemployment Insurance	Unemployment Compensation
Assets:			
Cash and cash equivalents	$ 18,460,776	$ 5,228,301	$ (109,092)
Amount on deposit with U.S. Treasury			359,809,752
Receivables:			
Taxes			35,017,990
Interest	24,554		8,950,084
Due from other governments		1,147	154,115
Other	1,904,357		344,266
Interfund receivables	2,528,990	197,566	10,959
Loans to other funds		2,800,000	
Total Assets	$ 22,918,677	$ 8,227,014	$ 404,178,074
Liabilities:			
Warrants payable	$ 376,848	$	$
Accounts payable and accruals	10,788,453	388,524	247,863
Due to other governments			214,565
Interfund payables			99,446
Amounts held in custody for others			356
Deferred revenues		554,990	
Other liabilities			
Total Liabilities	11,165,301	943,514	562,230
Fund Balances:			
Reserved for:			
Life and health insurance benefits	11,753,376		
Unemployment compensation benefits		4,483,500	403,615,844
Loans to other funds		2,800,000	
Unreserved:			
Undesignated			
Total Fund Balances	11,753,376	7,283,500	403,615,844
Total Liabilities and Fund Balances	$ 22,918,677	$ 8,227,014	$ 404,178,074

Other	Total
$ 105,453	$ 23,685,438
	359,809,752
	35,017,990
162	8,974,800
	155,262
5,928	2,254,551
	2,737,515
	2,800,000
$ 111,543	$ 435,435,308
$ 2,072	$ 378,920
465	11,425,305
	214,565
	99,446
	356
	554,990
5,793	5,793
8,330	12,679,375
	11,753,376
	408,099,344
	2,800,000
103,213	103,213
103,213	422,755,933
$ 111,543	$ 435,435,308

Expendable Trust Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 1986

	Fiscal Management Board		Employment Security Commission
	Group Insurance	State Employees' Unemployment Insurance	Unemployment Compensation
Revenues:			
Taxes	$	$	$ 115,132,189
Employer premiums	53,180,862	2,225,766	
Federal government			2,862,275
Interest income	927,985		34,574,558
Other	55,185		
Total Revenues	54,164,032	2,225,766	152,569,022
Expenditures:			
General government:			
Benefits	47,636,494	1,593,902	
Administrative fees	943,259		
Health and social services:			
Benefits			99,026,672
Total Expenditures	48,579,753	1,593,902	99,026,672
Excess of Revenues over (under) Expenditures	5,584,279	631,864	53,542,350
Other Financing Sources (Uses):			
Operating transfers in (out)			
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	5,584,279	631,864	53,542,350
Fund Balances July 1, 1985, as Previously Reported	6,169,097	7,608,743	350,141,423
Restatement of Fund Balances		(957,107)	(67,929)
Fund Balances July 1, 1985, as Restated	6,169,097	6,651,636	350,073,494
Fund Balances June 30, 1986	$ 11,753,376	$ 7,283,500	$ 403,615,844

Other	Total
$	$ 115,132,189
	55,406,628
	2,862,275
3,070	35,505,613
77,383	132,568
80,453	209,039,273
	49,230,396
106,547	1,049,806
	99,026,672
106,547	149,306,874
(26,094)	59,732,399
77,779	77,779
51,685	59,810,178
51,423	363,970,686
105	(1,024,931)
51,528	362,945,755
$ 103,213	$ 422,755,933

Nonexpendable Trust Funds

Combining Balance Sheet
June 30, 1986

	School for the Blind	Treasurer	Department of Archives and History	
	Endowment	Oil and Gas Taxes on State-owned Land	Dunbar Rowland	Stonewall Jackson Memorial
Assets:				
Cash and cash equivalents	$ 56,367	$ 18,850,659	$ 8,470	$ 35,967
Interest receivable		86,397	517	644
Total Assets	$ 56,367	$ 18,937,056	$ 8,987	$ 36,611
Liabilities:				
Interfund payables	$	$ 660,578	$	$
Amounts held in custody for others				600
Total Liabilities		660,578		600
Fund Balances:				
Reserved for:				
Scholarships				20,000
Books and historical manuscripts			5,000	
Student activities	56,367			
Education and vocational training		16,800,058		
Other				
Unreserved		1,476,420	3,987	16,011
Total Fund Balances	56,367	18,276,478	8,987	36,011
Total Liabilities and Fund Balances	$ 56,367	$ 18,937,056	$ 8,987	$ 36,611

State of Mississippi

Nonexpendable Trust Funds

Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended June 30, 1986

	School for the Blind	Treasurer	Department of Archives and History	
	Endowment	Oil and Gas Taxes on State-owned Land	Dunbar Rowland	Stonewall Jackson Memorial
Operating Revenues:				
Interest income	$	$ 1,122,734	$ 1,886	$ 2,657
Oil and gas royalties		4,567,083		
Total Operating Revenues		5,689,817	1,886	2,657
Operating Expenses:				
Scholarships				1,900
Operating Income (Loss)		5,689,817	1,886	757
Operating Transfers In (Out)		(794,694)		
Net Income (Loss)		4,895,123	1,886	757
Fund Balances July 1, 1985, as Previously Reported	56,367	13,381,355	14,038	35,254
Restatement of Fund Balances			(6,937)	
Fund Balances July 1, 1985, as Restated	56,367	13,381,355	7,101	35,254
Fund Balances June 30, 1986	$ 56,367	$ 18,276,478	$ 8,987	$ 36,011

Other	Total
$ 10,319	$ 18,961,782
	87,558
$ 10,319	$ 19,049,340
$	$ 660,578
	600
	661,178
	20,000
	5,000
	56,367
	16,800,058
9,201	9,201
1,118	1,497,536
10,319	18,388,162
$ 10,319	$ 19,049,340

Other	Total
$ 896	$ 1,128,173
	4,567,083
896	5,695,256
	1,900
896	5,693,356
(1,470)	(796,164)
(574)	4,897,192
10,893	13,497,907
	(6,937)
10,893	13,490,970
$ 10,319	$ 18,388,162

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1986

	Treasurer	Department of Archives and History			
	Oil and Gas Taxes on State-owned Land	Dunbar Rowland	Stonewall Jackson Memorial	Other	Total
Sources of Working Capital:					
Operations:					
Net income (loss)	$ 4,895,123	$ 1,886	$ 757	$ (574)	$ 4,897,192
Net Increase (Decrease) in Working Capital	$ 4,895,123	$ 1,886	$ 757	$ (574)	$ 4,897,192
Elements of Net Increase (Decrease) in Working Capital:					
Cash and cash equivalents	$ 5,539,872	$ 8,470	$ 761	$ (574)	$ 5,548,529
Investments		(6,725)			(6,725)
Interest receivable	15,829	141	(16)		15,954
Interfund payables	(660,578)				(660,578)
Amounts held in custody for others			12		12
Net Increase (Decrease) in Working Capital	$ 4,895,123	$ 1,886	$ 757	$ (574)	$ 4,897,192

Combining Balance Sheet
June 30, 1986

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Total
Assets:			
Current assets:			
Cash and cash equivalents	$ 211,576,060	$ 51,480	$ 211,627,540
Investments	2,335,659,272		2,335,659,272
Collateral held under reverse repurchase agreements	348,125,534		348,125,534
Receivables:			
Interest and dividends	45,873,882		45,873,882
Contributions	27,488,818	485,392	27,974,210
Other receivables	3,940,157		3,940,157
Interfund receivables		67,653,450	67,653,450
Total Current Assets	2,972,663,723	68,190,322	3,040,854,045
Land	508,000		508,000
Buildings	3,454,000		3,454,000
Improvements other than buildings, net	125,595		125,595
Machinery and equipment, net	432,871		432,871
Total Assets	$ 2,977,184,189	$ 68,190,322	$ 3,045,374,511
Liabilities:			
Warrants payable	$ 211,696	$	$ 211,696
Accounts payable and accruals	32,687,699		32,687,699
Interfund payables	72,589,300		72,589,300
Obligations under reverse repurchase agreements	348,125,534		348,125,534
Total Liabilities	453,614,229		453,614,229
Fund Balances:			
Reserved for pension benefits	2,523,569,960	68,190,322	2,591,760,282
Total Liabilities and Fund Balances	$ 2,977,184,189	$ 68,190,322	$ 3,045,374,511

Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended June 30, 1986

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Total
Operating Revenues:			
Member contributions	$ 110,895,553	$ 917,834	$ 111,813,387
State contributions	61,414,575	3,590,827	65,005,402
Political subdivisions contributions	99,778,534		99,778,534
Interest income	186,401,582	107,723	186,509,305
Dividend income	16,594,297		16,594,297
Net income from investment transactions	141,189,539		141,189,539
Net income from securities lending transactions	1,734,828		1,734,828
Other	339,820	852,131	1,191,951
Total Operating Revenues	618,348,728	5,468,515	623,817,243
Operating Expenses:			
Benefits	129,541,720	2,707,433	132,249,153
Refunds	29,372,444	56,057	29,428,501
Administrative expenses:			
Personal services:			
Salaries, wages and fringe benefits	1,784,255		1,784,255
Travel	42,676		42,676
Contractual services	4,980,921		4,980,921
Commodities	95,833		95,833
Depreciation	147,675		147,675
Total Operating Expenses	165,965,524	2,763,490	168,729,014
Operating Income (Loss)	452,383,204	2,705,025	455,088,229
Operating Transfers In (Out)	(8,725,739)	8,725,739	
Net Income (Loss)	443,657,465	11,430,764	455,088,229
Fund Balances July 1, 1985, as Previously Reported	2,079,912,495	56,759,558	2,136,672,053
Fund Balances June 30, 1986	$ 2,523,569,960	$ 68,190,322	$ 2,591,760,282

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1986

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Total
Sources of Working Capital:			
Operations:			
Net income	$ 443,657,465	$ 11,430,764	$ 455,088,229
Items not requiring working capital:			
Depreciation	147,675		147,675
Other	995		995
Working Capital Provided by Operations	443,806,135	11,430,764	455,236,899
Disposal of property, plant and equipment	(25,481)		(25,481)
Total Sources of Working Capital	443,780,654	11,430,764	455,211,418
Uses of Working Capital:			
Acquisition of machinery and equipment	873,212		873,212
Net Increase (Decrease) in Working Capital	$ 442,907,442	$ 11,430,764	$ 454,338,206
Elements of Net Increase (Decrease) in Working Capital:			
Cash and cash equivalents	$ (157,787,626)	$ 40,984	$ (157,746,642)
Funds on deposit with Bureau of Buildings	(570,902)		(570,902)
Investments	552,243,769		552,243,769
Collateral held under reverse repurchase agreements	348,125,534		348,125,534
Receivables:			
Interest and dividends	2,412,288		2,412,288
Contributions	(21,763,233)	148,163	(21,615,070)
Other	2,372,920		2,372,920
Interfund receivables		11,241,617	11,241,617
Warrants payable	(211,696)		(211,696)
Accounts payable and accruals	35,805,508		35,805,508
Book overdraft in bank account	466,771		466,771
Interfund payables	29,939,643		29,939,643
Obligations under reverse repurchase agreements	(348,125,534)		(348,125,534)
Net Increase (Decrease) in Working Capital	$ 442,907,442	$ 11,430,764	$ 454,338,206

Agency Funds

Combining Balance Sheet
June 30, 1986

	Deferred Compensation Plan	Social Security	Local Government Distributive	Program
Assets:				
Cash and cash equivalents	$ 410,138	$	$ 9,084,308	$ 25,922,084
Investments	76,527,534			
Receivables:				
Interest and dividends	516,452			65,556
Contributions	724,605	24,822,748		
Other			1,083,482	
Interfund receivables		4,927,670		824,002
Total Assets	$ 78,178,729	$ 29,750,418	$ 10,167,790	$ 26,811,642
Liabilities:				
Warrants payable	$	$	$ 21,488	$ 2,269,447
Accounts payable and accruals	19,306		1,800	1,384,674
Due to other governments		29,750,418	94,275	52,654
Interfund payables			97,650	66,820
Amounts held in custody for others	78,159,423		9,952,577	23,038,047
Total Liabilities	$ 78,178,729	$ 29,750,418	$ 10,167,790	$ 26,811,642

Institutional	Total
$ 1,397,943	$ 36,814,473
	76,527,534
	582,008
	25,547,353
25,693	1,109,175
	5,751,672
$ 1,423,636	$ 146,332,215
$	$ 2,290,935
9,100	1,414,880
	29,897,347
56,395	220,865
1,358,141	112,508,188
$ 1,423,636	$ 146,332,215

All Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 1986

	Assets				
Fund	Cash and Cash Equivalents	Investments	Receivables	Interfund Receivables	Total Assets
Deferred Compensation Plan:					
Balance July 1, 1985	$ 352,009	$ 62,596,765	$ 822,468	$	$ 63,771,242
Additions	418,734,092	21,049,201	2,795,280		442,578,573
Deductions	418,675,963	7,118,432	2,376,691		428,171,086
Balance June 30, 1986	410,138	76,527,534	1,241,057		78,178,729
Social Security:					
Balance July 1, 1985				46,117,110	46,117,110
Additions			24,822,748	289,979,225	314,801,973
Deductions				331,168,665	331,168,665
Balance June 30, 1986			24,822,748	4,927,670	29,750,418
Local Government Distributive:					
Balance July 1, 1985	8,437,214		900		8,438,114
Additions	25,070,684		1,096,082	12,700	26,179,466
Deductions	24,423,590		13,500	12,700	24,449,790
Balance June 30, 1986	9,084,308		1,083,482	-0-	10,167,790
Program:					
Balance July 1, 1985	14,719,105		27,301		14,746,406
Additions	68,931,406		65,556	824,002	69,820,964
Deductions	57,728,427		27,301		57,755,728
Balance June 30, 1986	25,922,084		65,556	824,002	26,811,642
Institutional:					
Balance July 1, 1985	1,459,976		47,411		1,507,387
Additions	4,318,981		282,612		4,601,593
Deductions	4,381,014		304,330		4,685,344
Balance June 30, 1986	1,397,943		25,693		1,423,636
Highway Refunded Bonds:					
Balance July 1, 1985	41,299				41,299
Additions	85,737,312				85,737,312
Deductions	85,778,611				85,778,611
Balance June 30, 1986	-0-				-0-
Total — All Agency Funds:					
Balance July 1, 1985	25,009,603	62,596,765	898,080	46,117,110	134,621,558
Additions	602,792,475	21,049,201	29,062,278	290,815,927	943,719,881
Deductions	590,987,605	7,118,432	2,721,822	331,181,365	932,009,224
Balance June 30, 1986	$ 36,814,473	$ 76,527,534	$ 27,238,536	$ 5,751,672	$ 146,332,215

Liabilities

Warrants Payable	Accounts Payable and Accruals	Due to Other Governments	Interfund Payables	Amounts Held In Custody for Others	Other Liabilities	Total Liabilities
$	$ 7,037	$	$	$ 63,764,205	$	$ 63,771,242
	19,306			19,555,789		19,575,095
	7,037			5,160,571		5,167,608
	19,306			78,159,423		78,178,729
		46,117,110				46,117,110
		314,801,973				314,801,973
		331,168,665				331,168,665
		29,750,418				29,750,418
		80,100	82,300	8,275,714		8,438,114
21,488	1,800	1,256,310	1,292,447	21,050,538		23,622,583
		1,242,135	1,277,097	19,373,675		21,892,907
21,488	1,800	94,275	97,650	9,952,577		10,167,790
	29,718	6,999,403	63,593	7,653,692		14,746,406
2,269,447	1,410,176	3,494,228	283,643	39,853,188		47,310,682
	55,220	10,440,977	280,416	24,468,833		35,245,446
2,269,447	1,384,674	52,654	66,820	23,038,047		26,811,642
			78,435	1,428,952		1,507,387
	22,059		284,303	4,120,465		4,426,827
	12,959		306,343	4,191,276		4,510,578
	9,100		56,395	1,358,141		1,423,636
					41,299	41,299
					85,737,312	85,737,312
					85,778,611	85,778,611
					-0-	-0-
	36,755	53,196,613	224,328	81,122,563	41,299	134,621,558
2,290,935	1,453,341	319,552,511	1,860,393	84,579,980	85,737,312	495,474,472
	75,216	342,851,777	1,863,856	53,194,355	85,778,611	483,763,815
$ 2,290,935	$ 1,414,880	$ 29,897,347	$ 220,865	$ 112,508,188	$ -0-	$ 146,332,215

University Funds account for all transactions relating to public institutions of higher learning, including a teaching hospital.

University Funds Descriptions

Current Funds

Unrestricted Fund — accounts for currently expendable resources which may be either designated or not designated by the universities for specific purposes.

Restricted Fund — accounts for resources restricted by the donor or external agency for a specific use or program.

Fiduciary Funds

Loan Fund — accounts for resources provided by the federal government, private gifts, and other university funds, which are available for loans to students.

Endowment Fund — accounts for resources which are invested in accordance with donor restrictions and only the income earned thereon may be expended.

Agency Fund — accounts for payroll withholdings, other employee benefit programs, and amounts held in custody for students, university-related organizations, and others.

Plant Funds

Account for the various unexpended resources to finance the acquisition and/or repair or replacement of long-lived plant, for renewal and replacement of those facilities constructed from bond proceeds which remain governed under a related bond indenture of trust, for the resources restricted to interest and principal payments and other debt service charges related to plant indebtedness, and for all long-lived assets in the service of the universities and all construction in progress and their associated liabilities.

Combining Balance Sheet
June 30, 1986

	Current Funds	
	Unrestricted	Restricted
Assets:		
Cash and cash equivalents	$ 56,332,348	$ 6,194,143
Investments	253,467	12,193
Accounts receivable, net of allowances of $3,289,864	33,908,641	11,204,188
Interfund receivables	10,095,227	588,337
Inventories	10,977,480	
Prepaid expenses	2,442,120	70,634
Loans and notes receivable, net of allowances of $7,575,713	349,000	
Land		
Buildings		
Improvements other than buildings		
Furniture, machinery and equipment		
Construction in progress		
Books and films		
Assets under capital lease		
Livestock		
Other assets		
Total Assets	$ 114,358,283	$ 18,069,495
Liabilities:		
Warrants payable	$ 3,392,133	$
Accounts payable and accruals	17,608,842	1,073,126
Interfund payables	7,727,404	3,280,061
Deferred revenue	11,228,887	662,123
Notes payable		
General obligation bonds payable		
Revenue bonds payable		
Obligations under capital lease		
Amounts held in custody for others	416,780	
Other liabilities	114,582	
Total Liabilities	40,488,628	5,015,310
Fund Balances:		
Investment in fixed assets		
Fund balances:		
Reserved	13,476,878	11,649,229
Unreserved	60,392,777	1,404,956
Total Fund Balances	73,869,655	13,054,185
Total Liabilities and Fund Balances	$ 114,358,283	$ 18,069,495

Fiduciary Funds				
Loan	Endowment and Similar	Agency	Plant Funds	Total
$ 8,052,273	$ 111,493	$ 2,281,969	$ 22,224,982	$ 95,197,208
370,000	10,376,308		3,776,321	14,788,289
61,113	8,218	371	3,457,328	48,639,859
131,189		543,198		11,357,951
				10,977,480
			410,701	2,923,455
43,122,103				43,471,103
			12,950,160	12,950,160
			465,035,363	465,035,363
			27,344,975	27,344,975
			148,600,875	148,600,875
			11,841,687	11,841,687
			56,202,245	56,202,245
			11,128,271	11,128,271
			15,706,955	15,706,955
	1,340,068	97,460		1,437,528
$ 51,736,678	$ 11,836,087	$ 2,922,998	$ 778,679,863	$ 977,603,404
$	$	$	$	$ 3,392,133
82,832		94,675	327,791	19,187,266
8,356	1,021	291,168	257,576	11,565,586
	341,088			12,232,098
			10,189,518	10,189,518
			13,258,000	13,258,000
			20,837,000	20,837,000
			7,910,797	7,910,797
		2,537,155		2,953,935
24,236			(	138,818
115,424	342,109	2,922,998	52,780,682	101,665,151
			696,696,280	696,696,280
51,621,254	2,526,266		29,202,901	108,476,528
	8,967,712			70,765,445
51.621,254	11,493,978		725,899,181	875,938,253
$ 51,736,678	$ 11,836,087	$ 2,922,998	$ 778,679,863	$ 977,603,404

General Fixed Assets Account Group

The General Fixed Assets Account Group accounts for fixed assets acquired for general governmental purposes. These include all fixed assets except those accounted for in the proprietary and fiduciary fund types.

State of Mississippi

General Fixed Assets

Schedule of General Fixed Assets by Function
June 30, 1986

Function	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
General government	$ 6,273,553	$ 53,436,890	$ 2,635,774	$ 15,990,179	$ 78,336,396
Education	198,960	8,735,593	839,136	89,656,445	99,430,134
Health and social services	879,616	90,733,438	7,220,133	44,808,513	143,641,700
Law, justice and public safety	4,278,039	95,740,238	6,184,890	29,804,117	136,007,284
Recreation and resources development	31,552,454	26,367,987	19,258,976	27,719,761	104,899,178
Regulation of business and professions		1,502,770	51,471	1,668,984	3,223,225
Transportation	2,823,072	12,430,288		64,141,760	79,395,120
Total General Fixed Assets Allocated to Functions	46,005,694	288,947,204	36,190,380	273,789,759	644,933,037
Construction in progress					35,777,335
Total General Fixed Assets					$ 680,710,372

State of Mississippi

General Fixed Assets

Schedule of Changes in General Fixed Assets
For the Year Ended June 30, 1986

	Balance July 1, 1985	Additions	Deletions	Balance June 30, 1986
Land	$ 45,934,644	$ 77,730	$ 6,680	$ 46,005,694
Buildings	277,712,353	12,514,277	1,279,426	288,947,204
Improvements other than buildings	35,241,107	1,006,757	57,484	36,190,380
Machinery and equipment	256,553,619	30,417,245	13,181,105	273,789,759
Construction in progress	31,212,975	23,325,509	18,761,149	35,777,335
Total	$ 646,654,698	$ 67,341,518	$ 33,285,844	$ 680,710,372

State of Mississippi

General Fixed Assets

Schedule of Changes in General Fixed Assets by Function
For the Year Ended June 30, 1986

Function	Balance July 1, 1985	Additions	Deletions	Balance June 30, 1986
General government	$ 77,643,844	$ 1,968,840	$ 1,276,288	$ 78,336,396
Education	95,102,492	5,886,759	1,559,117	99,430,134
Health and social services	138,358,729	8,735,173	3,452,202	143,641,700
Law, justice and public safety	128,191,738	10,034,144	2,218,598	136,007,284
Recreation and resources development	102,190,119	5,316,397	2,607,338	104,899,178
Regulation of business and professions	3,083,827	181,678	42,280	3,223,225
Transportation	70,870,974	11,893,018	3,368,872	79,395,120
Total by Function	615,441,723	44,016,009	14,524,695	644,933,037
Construction in progress	31,212,975	23,325,509	18,761,149	35,777,335
Total	$ 646,654,698	$ 67,341,518	$ 33,285,844	$ 680,710,372

General Long-term Obligations Account Group

The General Long-term Obligations Account Group accounts for the State's outstanding general obligation bonds, limited obligation bonds and other long-term obligations payable from governmental fund types.

General Long-term Obligations

Schedule of Changes in General Long-term Obligations
For the Year Ended June 30, 1986

	General Obligation Bonds	Limited Obligation Bonds	Accrued Compensated Absences	Capital Lease Obligations	Other Long-term Obligations	Total
Balance at July 1, 1985, as previously reported	$ 718,518,000	$ 60,000	$ 33,037,638	$ 3,565,030	$ 2,989,639	$ 758,170,307
Restatement				(48,203)		(48,203)
Balance at July 1, 1985, as restated	718,518,000	60,000	33,037,638	3,516,827	2,989,639	758,122,104
Bonds issued		207,144,858				207,144,858
Compensated absences earned			22,199,024			22,199,024
Decrease in lease obligations				(1,104,041)		(1,104,041)
Increase in accreted value of capital appreciation bonds		1,886,297				1,886,297
Principal retirements and defeased bonds	(502,170,000)	(20,000)			(1,153,212)	(503,343,212)
Compensated absences taken			(20,330,843)			(20,330,843)
Increase in other long-term obligations					41,150	41,150
Balance at June 30, 1986	$ 216,348,000	$ 209,071,155	$ 34,905,819	$ 2,412,786	$ 1,877,577	$ 464,615,337

Statistical and Economic Data

The accompanying statistical tables of the State of Mississippi reflect social and economic data to allow a broader understanding of the environment in which the State operates, as well as historical perspectives and financial trends to assess the fiscal capacity of State government. Statistical tables differ from financial statements because they usually cover more than two fiscal years and present certain nonaccounting data.

State of Mississippi

Table I

Expenditures by Function

All Governmental Fund Types
For the Last Ten Fiscal Years
(Expressed in Thousands)

Function	1977	1978	1979	1980
General government	$ 254,388	$ 285,177	$ 314,038	$ 339,829
Education	495,543	595,287	662,095	754,385
Health and social services	351,172	428,344	525,226	601,232
Law, justice and public safety	57,132	63,532	74,135	78,111
Recreation and resources development	33,415	43,099	48,855	52,550
Regulation of business and professions	4,818	5,338	6,714	7,154
Transportation	246,419	213,420	262,003	350,583
Debt service	65,495	70,461	53,674	65,480
Capital outlay	57,536	31,163	56,923	78,201
Total Expenditures — All Governmental Fund Types	$ 1,565,918	$ 1,735,821	$ 2,003,663	$ 2,327,525

Source: Fiscal Years 1977-1985 — Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Year 1986 — Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Governmental Fund Types are described in Note 1C of the Notes to the Financial Statements.

State of Mississippi

Table II

Revenues by Source

All Governmental Fund Types
For the Last Ten Fiscal Years
(Expressed in Thousands)

Source	1977	1978	1979	1980
State taxes	$ 927,441	$ 1,045,232	$ 1,131,629	$ 1,229,932
Licenses, fees and permits	27,860	32,736	38,296	44,729
Interest on investments	16,171	14,882	19,675	29,942
Federal government	524,599	627,808	693,029	802,616
Departmental services	100,659	111,274	131,191	127,114
Other	71,753	96,161	116,856	165,128
Total Revenues — All Governmental Fund Types	$ 1,668,483	$ 1,928,093	$ 2,130,676	$ 2,399,461

Source: Fiscal Years 1977-1985 — Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Year 1986 — Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Governmental Fund Types are described in Note 1C of the Notes to the Financial Statements.

State of Mississippi

Table III

State Tax Revenues by Source

All Governmental Fund Types
For the Last Ten Fiscal Years
(Expressed in Thousands)

Source	1977	1978	1979	1980
Sales and use	$ 476,468	$ 546,194	$ 604,185	$ 671,910
Gasoline	133,294	137,273	120,752	121,324
Motor fuel and privilege	15,364	16,628	17,900	19,189
Motor vehicle registration	8,471	8,484	9,295	9,598
Individual income	107,638	131,105	153,079	149,948
Alcoholic beverage	29,912	28,560	34,011	32,554
Corporate income and franchise	60,848	72,288	79,896	89,057
Severance	25,359	27,559	32,923	52,515
Inheritance	4,294	5,298	4,615	6,006
Tobacco	31,072	32,044	32,300	33,231
Insurance	27,434	31,403	34,515	36,872
Other	7,287	8,396	8,158	7,728
Total Tax Revenues — All Governmental Fund Types	$ 927,441	$ 1,045,232	$ 1,131,629	$ 1,229,932

Source: Fiscal Years 1977-1985 — Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Year 1986 — Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Governmental Fund Types are described in Note 1C of the Notes to the Financial Statements.

1981	1982	1983	1984	1985	1986
$ 366,236	$ 443,983	$ 468,592	$ 512,673	$ 699,728	$ 522,687
785,427	733,351	744,434	784,538	821,412	926,117
655,269	636,251	600,360	718,295	761,171	1,034,430
88,111	94,245	130,611	130,680	117,394	131,704
52,591	65,220	63,626	73,553	56,533	71,824
8,717	8,479	10,417	10,828	11,673	11,991
374,889	349,886	339,996	344,563	385,511	403,515
66,678	68,590	67,090	66,278	66,058	83,245
67,089	39,151	23,573	25,841	41,804	24,822
$ 2,465,007	$ 2,439,156	$ 2,448,699	$ 2,667,249	$ 2,961,284	$ 3,210,335

1981	1982	1983	1984	1985	1986
$ 1,376,129	$ 1,419,325	$ 1,476,277	$ 1,704,152	$ 1,732,596	$ 1,914,287
51,943	60,836	66,702	78,374	72,882	63,921
46,049	60,919	45,526	34,241	41,670	49,049
811,482	786,953	773,398	853,382	940,752	1,281,375
142,436	157,174	158,766	179,265	168,266	144,082
167,381	104,631	177,013	141,080	178,580	82,724
$ 2,595,420	$ 2,589,838	$ 2,697,682	$ 2,990,494	$ 3,134,746	$ 3,535,438

1981	1982	1983	1984	1985	1986
$ 724,493	$ 767,460	$ 761,866	$ 888,024	$ 932,159	$ 1,039,574
112,333	94,967	113,541	114,776	123,203	149,983
21,408	26,888	27,388	29,139	32,267	33,512
10,050	10,000	10,238	11,089	11,734	15,999
200,145	167,783	197,188	258,207	219,492	276,966
34,795	36,302	35,953	35,492	37,949	39,417
95,743	106,480	110,449	167,544	172,973	146,757
87,886	117,013	114,627	102,956	92,899	70,213
6,053	6,587	8,043	8,555	10,680	13,039
34,510	35,074	35,067	34,081	36,599	54,424
39,923	42,256	57,468	49,818	54,969	69,236
8,790	8,515	4,449	4,471	7,664	5,167
$ 1,376,129	$ 1,419,325	$ 1,476,277	$ 1,704,152	$ 1,732,596	$ 1,914,287

Table IV

Total Debt Service Requirements to Maturity

June 30, 1986
(Expressed in Thousands)

	General Obligation Bonds			Limited Obligation Bonds
Fiscal Year	**Enterprise Funds**	**University Funds**	**General Long-term Obligations Account Group**	**General Long-term Obligations Account Group**
1987	$ 2,690	$ 1,911	$ 37,567	$ 19,865
1988	2,761	1,907	25,133	20,111
1989	2,735	1,861	21,410	20,084
1990	2,794	1,828	20,282	20,072
1991	2,639	1,600	18,330	32,435
1992	2,482	1,581	17,714	41,766
1993	2,442	1,490	15,912	35,506
1994	2,420	1,445	14,885	30,999
1995	2,214	823	14,613	25,997
1996	2,108	826	13,983	18,445
1997	1,999	699	12,653	7,647
1998	1,764	487	87,144	5,550
1999	1,495	384	3,040	2,250
2000	1,489		1,372	1,625
2001	1,216		125	1,625
2002	1,122			1,625
2003	463			1,625
2004	479			1,625
2005				1,625
2006				46,018
2007				
2008				106,885
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
	$ 35,312	$ 16,842	$ 304,163	$ 443,380

Notes:

1. Total requirements include principal and interest needed for retirement.
2. University funds include $2 million of variable rate interest bonds for which future interest payments could not be determined.

Revenue Bonds				
Mississippi Fair Commission	**Mississippi Housing Finance Corporation**	**Mississippi Hospital Equipment Financing Authority**	**University Funds**	**Total Requirements**
$ 246	$ 59,982	$ 5,620	$ 1,431	$ 129,312
235	64,217	5,600	1,445	121,409
240	64,685	5,576	1,441	118,032
228	70,021	5,554	1,450	122,229
232	65,735	9,127	1,440	131,538
205	66,337		1,444	131,529
204	67,064		1,409	124,027
184	62,928		1,416	114,277
183	63,503		1,403	108,736
182	64,111		1,401	101,056
180	64,617		1,404	89,199
178	62,854		1,407	159,384
175	107,352		1,250	115,946
172	81,316		1,142	87,116
173	58,429		951	62,519
172	37,348		747	41,014
171	42,165		651	45,075
169	32,587		620	35,480
166	33,176		567	35,534
157	82,707		565	129,447
	85,645		558	86,203
	36,435		506	143,826
	73,350		443	73,793
	38,203		363	38,566
	41,603		365	41,968
	45,391		357	45,748
	61,639		359	61,998
	116,990		365	117,355
	55,275		362	55,637
	60,486		363	60,849
	34,587		363	34,950
	10,163		364	10,527
			364	364
			435	435
			392	392
			91	91
$ 3,852	$ 1,910,901	$ 31,477	$ 29,634	$ 2,775,561

State of Mississippi

Table V

Net General Long-term Bonded Debt Per capita

For the Last Ten Fiscal Years
(Expressed in Thousands Except Per capita Data)

		General Long-term Bonded Debt			
Fiscal Year	**Population**	**Principal Outstanding**	**Less: Debt Service Fund**	**Net**	**Net General Long-term Debt Per capita**
1977	2,460	$ 719,968	$ 19,352	$ 700,616	$ 285
1978	2,488	764,791	20,978	743,813	299
1979	2,508	786,228	46,288	739,940	295
1980	2,523	774,984	64,098	710,886	282
1981	2,548	774,558	91,339	683,219	268
1982	2,569	782,421	117,880	664,541	259
1983	2,581	763,782	151,905	611,877	237
1984	2,598	745,133	181,258	563,875	217
1985	2,613	718,578	218,762	499,816	191
1986	2,630	425,419	173,802	251,607	96

Source: Population at December 31 - Mississippi Research and Development Center
General Long-term Bonded Debt — State Treasurer
Debt Service Fund — Fiscal Years 1977-1985 — Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Year 1986 — Mississippi Comprehensive Annual Financial Report, GAAP Basis

Notes:

1. Total general long-term bonded debt includes limited obligation bonds payable from specific General Fund (GAAP Basis) revenues; it excludes general obligation bonds payable from enterprise and university funds.
2. Debt service fund represents monies designated for retirement of general long-term bonded debt for fiscal years 1977-1985 and represents debt service fund balance as reflected in Mississippi Comprehensive Annual Financial Report, GAAP Basis, for fiscal year 1986.

State of Mississippi

Table VI

Ratio of Annual Debt Service for General Long-term Bonded Debt to Total Revenues and Expenditures

For the Last Ten Fiscal Years
(Expressed in Thousands Except Ratio Data)

Fiscal Year	**Total Debt Service**	**Revenues**	**Ratio**	**Expenditures**	**Ratio**
1977	$ 65,495	$ 1,668,483	3.9%	$ 1,565,918	4.2%
1978	70,461	1,928,093	3.7%	1,735,821	4.1%
1979	53,674	2,130,676	2.5%	2,003,663	2.7%
1980	65,480	2,399,461	2.7%	2,327,525	2.8%
1981	66,678	2,595,420	2.6%	2,465,007	2.7%
1982	68,590	2,589,838	2.6%	2,439,156	2.8%
1983	67,090	2,697,682	2.5%	2,448,699	2.7%
1984	66,278	2,990,494	2.2%	2,667,249	2.5%
1985	66,058	3,134,746	2.1%	2,961,284	2.2%
1986	83,245	3,535,438	2.4%	3,210,335	2.6%

Source: Total Debt Service, Revenues and Expenditures — Fiscal Years 1977-1985 — Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Year 1986 — Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Total debt service represents principal and interest paid on general and limited obligation bonds.

State of Mississippi

Table VII

Computation of Legal Debt Margin

June 30, 1986
(Expressed in Thousands)

Legal debt limit (1 1/2 times revenue collected during any one of the four preceding years, whichever is higher) (1)	$	$ 3,225,621
Amount of debt applicable to debt limit (2)	425,419	
Less: amounts available in debt service funds	173,802	
Net amount of debt applicable to debt limit		251,617
Legal Debt Margin		$ 2,974,004

Notes:

1. The State's constitutional debt limit is established under Section 115 of the Mississippi Constitution at one and one-half times the sum of all revenues collected by the State during any one of the four preceding fiscal years, whichever may be higher.

   Revenues included in the foregoing debt limitation computation are restricted by current practice to the following governmental fund revenues: taxes, licenses, fees and permits, investment income, rental income, service charges (including net income from the sale of alcoholic beverages), fines, forfeits, and penalties. Defined revenues for the four preceding years were:

Fiscal Year	Applicable Governmental Fund Revenues
1982	$ 1,734,334
1983	1,787,113
1984	2,025,444
1985	2,150,414

2. The legal debt limit applies to total general long-term bonded debt, which includes limited obligation bonds payable from specific General Fund revenues and excludes general obligation bonds payable from enterprise and university funds.

State of Mississippi

Table VIII

Revenue Bond Coverage

For the Last Five Fiscal Years

MISSISSIPPI HOUSING FINANCE CORPORATION

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage(2)
				Principal	Interest	Total	
1982(1)	$ 15,778,166	$ 341,423	$ 15,436,743	$	$ 12,863,767	$ 12,863,767	1.20
1983	16,352,995	417,622	15,935,373		14,019,496	14,019,496	1.14
1984	32,549,034	537,156	32,011,878	1,975,000	30,151,984	32,126,984	1.00
1985	41,992,150	739,397	41,252,753	62,035,000	35,660,308	97,695,308	.42
1986	62,596,148	1,097,151	61,498,997	11,940,182	53,820,543	65,760,725	.94

MISSISSIPPI HOSPITAL EQUIPMENT FINANCING AUTHORITY

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1985(3)	$ 2,266,294	$ 267,173	$ 1,999,121	$ -0-	$ 1,856,190	$ 1,856,190	1.08
1986	2,310,228	260,301	2,049,927	-0-	1,948,188	1,948,188	1.05

Notes:

1. Mississippi Housing Finance Corporation, whose fiscal year ends August 31, issued its first series of revenue bonds September 1, 1980 (fiscal year ended August 31, 1981).
2. Under Mississippi Housing Finance Corporation's bond resolutions, investments and scheduled amounts of principal installments, including anticipated mortgage loan prepayments, are pledged to satisfy debt service requirements not covered by gross revenues; therefore, the State is not in default on any outstanding bonds.
3. Revenue bonds were issued by Mississippi Hospital Equipment Financing Authority during fiscal year 1985.

State of Mississippi Table IX

Demographic Statistics

For the Last Ten Calendar Years

Calendar Year	Population (In Thousands)	Per capita Income (Current $)	Median Age	Public Schools Grades 1-12 Enrollment	Unemployment Rate
1977	2,460	$ 4,962	27.3	508,561	7.3%
1978	2,488	5,496	27.4	500,014	7.1%
1979	2,508	6,102	27.8	491,440	5.8%
1980	2,523	6,614	28.1	482,041	7.4%
1981	2,548	7,308	28.6	472,304	8.3%
1982	2,569	7,772	29.0	466,521	11.0%
1983	2,581	8,066	29.3	462,581	12.6%
1984	2,598	8,684	29.7	461,272	10.8%
1985	2,613	9,131	30.0	459,049	10.3%
1986	2,630	9,410	*	459,631	11.7%

Source: Population — Mississippi Research and Development Center
Per capita Income — Mississippi Research and Development Center
Median Age — Sales and Marketing Management, *Survey of Buying Power*, 1977-1986
Public Schools Grades 1-12 Enrollment — Mississippi State Department of Education
Unemployment Rate — Calendar Years 1977-1985 — Mississippi Employment Security Commission

Notes:

1. 1986 information is estimated.
2. The data shown for each calendar year is as of December 31.

* 1986 Information Not Available

State of Mississippi Table X

Economic Characteristics

For the Last Ten Calendar Years
(Expressed in Millions)

Calendar Year	Gross State Product (Current $)	Gross State Product (Inflation-Adjusted $)	Personal Income (Current $)	Personal Income (Inflation-Adjusted $)	Disposable Personal Income (Current $)
1977	$ 15,631	$ 11,066	$ 12,207	$ 8,757	$ 11,127
1978	17,745	11,695	13,674	9,171	12,561
1979	19,845	12,136	15,304	9,418	13,759
1980	20,843	11,723	16,684	9,321	14,869
1981	23,034	11,840	18,622	9,574	16,513
1982	23,598	11,521	19,966	9,688	17,906
1983	24,472	11,560	20,821	9,748	18,776
1984	25,980	11,965	22,561	10,237	20,206
1985	26,830	12,111	23,868	10,515	21,379
1986	27,691	12,252	24,747	10,667	22,164

Source: Mississippi Research and Development Center

Notes:

1. 1985 and 1986 information based on estimates.
2. The data shown for each calendar year is as of December 31.

State of Mississippi

Table XI

Mississippi Gross State Product by Sector

(Expressed in Millions of Current Dollar)

	Calendar Year			
Sector of Employment	**1975**	**1980**	**1985**	**Sector as Percentage of 1985 Growth Rate**
Manufacturing	$ 3,661	$ 7,155	$ 8,969	(2.0%)
Construction	502	943	1,079	4.3%
Mining	839	1,570	497	(7.3%)
Trade	1,719	2,929	4,083	4.7%
Services	1,022	1,844	2,750	12.2%
Finance, insurance and real estate	1,200	2,151	2,995	7.1%
Transportation, communication and utilities	374	918	2,285	3.8%
Federal, state and local government	1,461	2,341	3,196	7.9%
Agriculture	746	992	976	2.9%
Total Gross State Product	$ 11,524	$ 20,843	$ 26,830	3.3%

Source: Mississippi Research and Development Center

Notes:

1. The data shown for each calendar year is as of December 31.
2. 1985 information based on estimates.

State of Mississippi

Table XII

Mississippi Average Annual Wage by Sector

	Calendar Year			
Sector of Employment	**1975**	**1980**	**1985**	**Percentage Increase from 1975 to 1985**
Manufacturing	$ 8,136	$ 12,266	$ 16,764	106%
Construction	8,644	13,490	15,305	77%
Mining	10,589	18,342	23,601	123%
Trade	6,493	9,355	11,610	79%
Services	6,673	9,770	13,396	101%
Finance, insurance and real estate	8,500	12,558	17,297	103%
Transportation, communication and utilities	10,115	15,811	21,356	111%
Federal government	12,324	17,283	23,410	90%
State and local government	8,219	9,965	13,614	66%
Agriculture	4,412	7,691	9,689	120%
Statewide Average Annual Wage	7,663	11,129	14,655	91%

Source: Mississippi Employment Security Commission

Note: The data shown for each calendar year is as of December 31.

State of Mississippi

Table XIII

Bank Deposits, Retail Sales, Median Household Disposable Income

For the Last Ten Calendar Years
(Expressed in Thousands Except Median Income)

Calendar Year	Bank Deposits	Retail Sales	Individual IRS Collections	Median Household Disposable (Aftertax) Income
1976	$ 6,403,971	$ 8,230,100	$ 949,463	$ 9,830
1977	7,350,950	9,160,400	1,115,105	11,038
1978	8,312,771	10,590,000	1,264,367	11,991
1979	9,183,276	12,028,700	1,509,270	12,776
1980	9,796,932	13,343,600	1,718,718	13,387
1981	10,806,099	14,311,200	1,994,670	14,066
1982	11,571,314	14,886,800	2,528,495	16,019
1983	12,612,905	14,558,600	2,211,118	17,020
1984	13,383,748	14,052,000	2,284,784	18,099
1985	14,376,524	14,745,300	2,455,643	16,448

Source: Bank Deposits — Department of Banking and Consumer Finance
Retail Sales — Mississippi Research and Development Center
Individual IRS Collections — Internal Revenue Service
Median Household Disposable (Aftertax) Income — Sales and Marketing Management. *Survey of Buying Power*, 1977-1986

Notes:

1. 1986 information not available. Information based on calendar year with exception of retail sales which is stated on a fiscal year period as of June 30 each year.
2. The data shown for each calendar year is as of December 31.
3. Median household disposable (aftertax) income is an indicator of an area's income level and purchasing power. The figures for 1976-1985 are derived by dividing the income distribution for a metro, county, or city into two equal parts, with one half of the households above and one half below the resultant figure.

State of Mississippi

Table XIV

Population and Employment

For the Last Ten Calendar Years
(Expressed in Thousands Except Unemployment Rate)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Population	2,460	2,488	2,508	2,523	2,548	2,569	2,581	2,598	2,613	2,630
Employed	922	935	965	982	971	947	929	958	1,005	1,012
Unemployed	73	71	59	79	88	117	134	116	115	145
Total Labor Force	995	1,006	1,024	1,061	1,059	1,064	1,063	1,074	1,120	1,157
Mississippi Unemployment Rate	7.3%	7.1%	5.8%	7.4%	8.3%	11.0%	12.6%	10.8%	10.3%	11.7%
U.S. Unemployment Rate	7.1%	6.1%	5.8%	7.1%	7.6%	9.7%	9.6%	7.5%	7.2%	7.0%

Source: Population — Mississippi Research and Development Center
Employed, Unemployed, Mississippi Unemployment Rate, U.S. Unemployment Rate — Mississippi Employment Security Commission
Employed, Unemployed — Calendar Year 1986 — Mississippi Research and Development Center

Notes:

1. The data shown for each calendar year is as of December 31.
2. 1986 information is estimated.

State of Mississippi

Table XV

Principal Industrial Employers

(Ranked by Number of Employees)

Company	Number of Plants	Number of Employees
Litton Industries	1	10,000
Mohasco Corporation	4	3,700
International Paper Company	5	2,803
International Telephone and Telegraph Corporation	5	2,630
General Motors Corporation	4	2,540
Emerson Electric Company	3	2,502
Movie Star, Incorporated	13	2,320
Kellwood Corporation	9	2,287
Georgia-Pacific Corporation	14	2,256
I. C. Isaacs and Company, Incorporated	4	1,775
Blue Bell Incorporated	9	1,742
Universal Manufacturing Corporation	3	1,690
Consolidated Foods Corporation	2	1,656
Garan Incorporated	7	1,606
Masonite Corporation	3	1,360
Peavey Electronics Corporation	2	1,340
Croft Metals Incorporated	2	1,240
The William Carter Company	3	1,170
Northern Electric Company	5	1,115
The Amory Garment Company	1	725

Source: Mississippi Research and Development Center

State of Mississippi

Table XVI

Public School Enrollment

For the Last Ten School Years

Academic Year	Grades 1-3	Grades 4-6	Grades 7-9	Grades 10-12	Special Education	Total Enrollment
1976-1977	127,304	122,653	139,754	106,218	12,632	508,561
1977-1978	128,208	119,622	136,785	106,732	8,667	500,014
1978-1979	124,952	119,966	132,733	106,504	7,285	491,440
1979-1980	120,244	122,018	127,640	105,093	7,046	482,041
1980-1981	115,279	122,113	124,009	103,507	7,396	472,304
1981-1982	115,580	119,551	122,844	100,986	7,560	466,521
1982-1983	116,044	114,975	125,046	98,720	7,796	462,581
1983-1984	120,601	110,119	125,175	96,911	8,466	461,272
1984-1985	122,053	109,065	122,896	95,537	9,498	459,049
1985-1986	125,069	109,173	118,579	96,675	10,135	459,631

Source: Mississippi State Department of Education

Note: The Education Reform Act of 1982 requires kindergartens beginning with the 1986/1987 academic year.

State of Mississippi

Table XVII

Full-time Equivalent Student Enrollment — Junior Colleges

For the Last Ten School Years

Junior College	1976/1977	1977/1978	1978/1979	1979/1980
Coahoma Junior College	1,963	1,568	1,579	1,830
Copiah-Lincoln Junior College	1,715	1,603	1,733	1,756
East Central Junior College	1,072	1,002	787	857
East Mississippi Junior College	855	1,050	1,344	1,122
Gulf Coast Junior College	5,386	5,848	6,066	5,936
Hinds Junior College	5,979	6,097	6,009	6,211
Holmes Junior College	1,301	1,312	1,169	1,203
Itawamba Junior College	2,409	2,607	2,772	3,288
Jones Junior College	2,803	2,877	2,869	2,700
Meridian Junior College	2,766	2,543	2,396	2,513
Mississippi Delta Junior College	1,747	2,023	1,956	1,976
Northeast Mississippi Junior College	2,120	2,019	1,975	2,249
Northwest Mississippi Junior College	3,216	3,313	3,332	3,448
Pearl River Junior College	2,287	2,110	2,033	2,525
Southwest Mississippi Junior College	1,234	1,176	1,236	1,176
Utica Junior College	1,337	1,248	1,097	1,389
Total Junior Colleges	38,190	38,396	38,353	40,179

Source: Mississippi State Department of Education

* Hinds and Utica Organized Into a Unitary District

State of Mississippi

Table XVIII

Full-time Equivalent on Campus Student Enrollment — Universities

For the Last Ten School Years

University	1976/1977	1977/1978	1978/1979	1979/1980
Alcorn State University	2,532	2,578	2,108	1,942
Delta State University	2,370	2,356	2,265	2,465
Jackson State University	5,997	6,876	6,666	6,622
Mississippi University for Women	2,595	2,387	2,234	1,973
Mississippi State University	10,836	10,527	10,367	10,530
Mississippi Valley State University	3,072	2,769	2,745	2,609
University of Mississippi	8,365	8,948	9,080	9,040
University of Southern Mississippi	8,916	9,064	8,614	9,079
Total Universities	44,683	45,505	44,079	44,260
University of Mississippi Medical School	1,445	1,471	1,498	1,512

Source: Board of Trustees of State Institutions of Higher Learning, State of Mississippi

Note: University of Mississippi Medical School student enrollment is based on head count.

1980/1981	1981/1982	1982/1983	1983/1984	1984/1985	1985/1986
1,805	1,895	2,043	1,967	1,308	1,559
1,948	1,728	1,956	1,996	1,926	1,783
770	792	883	1,044	1,135	1,175
1,216	1,222	1,220	991	1,010	1,010
6,666	7,143	6,912	7,732	7,230	7,086
6,590	6,827	8,848	8,300	7,672	7,221
1,311	1,212	1,263	1,212	922	1,174
3,401	3,391	3,585	2,933	2,970	2,821
2,638	2,624	2,730	2,761	2,710	2,551
2,799	3,050	3,141	3,223	3,025	2,903
2,162	2,233	2,357	2,174	2,204	2,126
2,542	2,645	2,895	2,731	2,749	3,117
3,845	4,100	4,494	4,845	3,603	3,994
2,599	2,699	2,418	2,366	2,366	2,167
1,184	1,259	1,323	1,345	1,242	1,220
1,282	1,301	*	*	*	*
42,758	44,121	46,068	45,620	42,072	41,907

1980/1981	1981/1982	1982/1983	1983/1984	1984/1985	1985/1986
2,208	2,241	2,277	2,375	2,199	2,285
2,558	2,604	2,701	2,841	2,892	2,627
6,035	6,156	5,756	5,576	5,419	5,689
1,772	1,600	1,516	1,798	1 688	1,591
10,555	10,714	11,172	11,378	10,818	10,812
2,421	2,353	2,092	2,445	2,280	2,080
8,944	8,927	8,818	8,554	8,100	8,393
9,245	9,503	9,870	10,276	10,186	9,987
43,738	44,098	44,202	45,243	43,582	43,464
1,617	1,680	1,733	1,759	1,737	1,638

Acknowledgements of the Office of the State Auditor

In early March, 1984, the State Auditor's office began planning for the examination and publication of Mississippi's 1986 Comprehensive Annual Financial Report, a major goal of our new administration. During the last thirty-three months, over 250 persons have been involved in the effort to adapt the State's accounting system to permit financial reporting based on Generally Accepted Accounting Principles (GAAP).

"Going to GAAP," as the process became known around State government, required identifying the State agencies that form the reporting entity for purposes of presenting financial data for the State as a whole, classifying each of the State treasury funds into GAAP fund types, developing procedures for State agencies to use in reporting information to be compiled into statewide financial statements, prescribing a 560-page Mississippi Agency Accounting Policies and Procedures Manual, holding four training sessions for agency personnel on the new accounting requirements, changing the emphasis of the Division of State Agency Audits from conducting audits of individual State agencies to conducting one audit of the entire State government, developing a computer system and related software to produce the Comprehensive Annual Financial Report (CAFR), and compiling the audited figures and related statistical data.

This project could not have been accomplished without the support and cooperation of the accounting staffs and heads of Mississippi's State agencies. Over the course of the 1985 and 1986 fiscal years, agency personnel devoted many extra hours learning the new financial accounting system and then implementing it by completing agency GAAP reporting statements. At the close of the 1986 fiscal year, when the crucial year-end GAAP statements were due, agencies prepared and filed them in a timely manner in spite of having to prepare annual budget requests at the same time. The overwhelming majority of agencies met the deadline, allowing the compilation and the audit to proceed on schedule.

As part of the initial planning for Going to GAAP, an advisory committee was organized to provide general assistance and direction. We want to express our appreciation to the committee members: Bill Cole and Claudia Campbell, State Treasurer's office; Jim W. Meredith and Jerry E. Williams, Research and Development Center; Pery B. Winegarden and Sue Hunt, State Fiscal Management Board; Jean M. Bush, Bureau of Building, Grounds and Real Property Management; Dave McAlister, formerly with the Board of Trustees of State Institutions of Higher Learning; Robert A. Greenlee, Legislative Budget Office; Thomas J. Pritchard, Department of Agriculture and Commerce; James P. Mayfield, Public Employees' Retirement System; Jack E. Elsesser, State Department of Health; Russell W. Ferguson, Central Data Processing Authority; Clarence L. Maholmes, Governor's Office of Federal-State Programs; and, Alice G. Gorman, State Tax Commission. Jerry Williams supported the project further by arranging for interns from the Research and Development Center to work with our staff on a full-time basis.

In addition to the members of the advisory committee, we want to single out and thank several other State agency officials: Thomas H. Campbell, III, Susan Saterfiel, Charlean Washington, James C. Sanders and Sue Jones, with the State Fiscal Management Board, for their extensive efforts, as the State's financial control agency, to review and take responsibility for the compilation of the statewide financial statements; John W. Turcotte and Joyce Butts, with the Legislative PEER Committee, for their help in compiling the statistical data; and John A. Ruffin, with the Central Data Processing Authority, for his general assistance and support of this project.

A number of persons around the country have been generous in their assistance to our GAAP Project staff. In particular, we want to express our appreciation to Samuel Stiles, with the Illinois Comptroller's office; Phil Jelicich, with the California Auditor General's office; Mike Howard, with the Ohio State Auditor's office; and Jo Anne Sanders, with the Louisiana Legislative Auditor's office. Also, David Bean of the Government Finance Officers Association provided a valuable source of information and experience.

Early in this project, we decided to contract with a national CPA firm to assist our staff, to offer perspectives on the experiences of other states, and to provide specialized technical assistance. Since August, 1984, George C. Casey, formerly a partner with KMG Main Hurdman and now president of Spectrum Consulting Group, has excelled in the role of consultant, advisor, technician, accounting theorist and supporter. At various times throughout the project, George tapped the resources of KMG Main Hurdman for specialized assistance. John E. Parker, Michael Sullivan and Ira Crain helped greatly on EDP auditing and Michael Makowski worked many late nights designing new computer programs to facilitate compilation and analysis of the CAFR.

The CPA firm of Ernst & Whinney deserves special recognition for its assistance in those crucial times when agency financial statements had to be evaluated by our staff. Ernst & Whinney partners in Jackson, James W. Bowling and Monroe M. Wright, went the extra mile in providing staff support to complete this portion of the project. Auditors from Ernst & Whinney who helped are: Leila Childress, Steven Page, Norman Moore, Gary Bedsole, Mike Gladney, Anthony Moore and Laren Whiddon.

A special thanks goes to Hap Owen, Jr. and his firm, Communication Arts Company, for designing the CAFR and managing its production throughout this long process.

At the State Auditor's office, a number of individuals participated in making this project successful. Each of these staff members has a great deal of expertise and showed a willingness to work long, hard hours to get this project accomplished within the ubiquitous deadlines associated with publication of the CAFR. Buddy Jemison and Steve Duncan provided assistance in working through administrative problems. Denise Bershon had overall responsibility for coordinating the work of the design consulting firm, the typesetters, the word processing company and the printer. Dale P. Brooks, William R. Hanna, Leslie Shivers and Bonnie M. Smith of our Division of School District Audits provided audit coverage of the Department of Education. Through the work of Norman R. McLeod and his staff of the Division of Junior College & University Audits, the university funds

were audited without problem. Members of the Division who conducted the audit are Brent Ballard, Pam M. Barr, James A. Files, James F. Freeman, Marion Gilmer, Chris Halliwell, Pam Harrison, Melanie Little, Ron Michaels, Nora Roberts, Grady E. Smith, Jeannie G. Smith, Larry Sparks, Sam E. Thomas and Jamie B. Wright.

Under the inspired direction of Ramona Hill, the Division of State Agency Audits performed the audit of the CAFR. Ruth Wylie headed up the planning phase of the audit approach, and, as audit managers and supervisors, Vicki A. Alvey, Margaret Baggett, Elaine Canterbury, Martha J. Casey, and William R. Doss contributed countless extra hours and energy in coordinating and overseeing the audit work. The members of the Division who participated in this audit include: Paula W. Artmann, John Bockman, Lynn Bolton, Gwen Cotten, Karlanne Crawley, Blanche Eskridge, John O. Gilbert, Christy H. Gleason, Janet F. Gray, Stewart Hamilton, Bill Holden, Mike Howell, Cheryl Huckaby, Susan F. Kimbrough, Robbin J. Lee, Sandra P. Lohrisch, Kate Lutz, Mary J. Lyles, Tracey McCoy, Leigh Scott McGregor, Kaye Pace, Roy Patrick, Marilyn Purvis, Rob Robertson, Diane Sanders, Donna Sanford, Richard Self, Linda Shornick, Willie R. Thompson, Price Toler, Kevin J. Upchurch, Mona Varner, Lesa C. Waggener, Mary Beth Waits, Jeff Wright, and Vickie Wright. Through the skills and patience of Lisa Heard and Chris Rutledge, this report was typed, edited and proofed in record time. These men and women had to contend with tight deadlines, a crushing workload, and thorny problems. They performed superbly.

The leadership for Going to GAAP rests with Lynda R. Babin, director of the Project, and the members of her GAAP Project Team: Liz Clemmer, Ruby Graves, Mary Keen, Billy Morehead, and Warren Williams. The long nights and weekends, the incessant deadlines, the headaches, and the workload tell only part of the story of the work of these six individuals. This report is a reality because of their persistence, their competence, and their dedication.

Since April, 1984, when she rejoined the State Auditor's office to direct this project, Lynda has been its guiding force. She has always loved challenges, and two-and-a-half years ago, she took on the biggest so far of her career. Through her commitment to quality and her refusal to be overtaken by the enormity of the task, this report is being published on time and in accord with the highest standards of accounting.

Through the work of the individuals mentioned in these acknowledgements, the taxpayers of Mississippi have been well served.

RAY MABUS	JERE NASH
State Auditor	Deputy State Auditor

December 5, 1986

S4548-2-U

Comprehensive Annual Financial Report 1987

MISSISSIPPI

Fiscal Year Ended June 30, 1987

State Fiscal Management Board
Post Office Box 267
Jackson, Mississippi 39205

Thomas H. Campbell, III
State Fiscal Officer

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STATE OF MISSISSIPPI
FISCAL MANAGEMENT BOARD

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Natchez

BILL ALLAIN
Governor

THOMAS H. CAMPBELL, III
State Fiscal Officer

MIKE P. STURDIVANT
Glendora

December 28, 1987

To The Governor, Members of the Legislature and
Citizens of the State of Mississippi:

In accordance with Section 27-104-4, Miss. Code Ann. (1972), it is my pleasure to transmit to you the Comprehensive Annual Financial Report (CAFR) of the State of Mississippi for the year ended June 30, 1987. This is the second CAFR produced by the State and represents our continued commitment to financial reporting excellence.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentations in the CAFR, including all disclosures, rests with the State. I believe the information as presented is accurate in all material aspects and is presented in a manner designed to set forth the financial position and results of operations of the State of Mississippi in accordance with generally accepted accounting principles. The financial presentations in the CAFR are meant to show the financial activity of the fund types and account groups of the State. All disclosures necessary to enable a reader to gain maximum understanding of the State's financial activities have been included.

This report has been prepared in conformance with generally accepted accounting principles (GAAP). As such, it presents the combined financial position and results of operations of the State in a manner which can be compared to similar reports of other states to identify relevant trends and changes.

Mississippi is one of the first states to publish a Comprehensive Annual Financial Report which contains audited financial statements with an unqualified opinion. The importance of the report has been acknowledged by the State of Mississippi's Legislature enacting a law requiring a Comprehensive Annual Financial Report to be published within six months of the close of each fiscal year. We are proud to be one of the earliest states to recognize the need for audited state-wide financial statements prepared in accordance with GAAP. These statements provide the taxpayers of the State of Mississippi, our public officials, members of the media, and the investment community with complete and full disclosure of our financial position and results of operations.

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Each agency of the State of Mississippi has prepared financial statements for the funds under its jurisdiction and responsibility. These statements are prepared by reconciling the agency general ledger accounts to the cash receipts and disbursement records of the Financial Control Department of the Fiscal Management Board. The agencies then convert their funds to the modified accrual or accrual basis of accounting according to GAAP fund type classifications. Each agency director or chief fiscal officer has accepted responsibility for the accuracy and completeness of the financial information presented by his respective agency. These activities are carefully reviewed and internally checked by the Fiscal Management Board before compiling these funds into the State's Comprehensive Annual Financial Report.

Report Structure

The 1987 Comprehensive Annual Financial Report is comprised of three sections as recommended by the Governmental Accounting Standards Board: the introductory section which provides summary financial data and narrative commentary on matters of interest to the reader; the financial section, which includes the auditor's report, audited general purpose financial statements and notes thereto, and underlying combining and individual fund financial statements and supporting schedules; and the statistical section, which sets forth unaudited statistical trend information, demographic and economic data that provides information regarding the general economic condition of the State.

The notes to the financial statements are included in the financial section and are considered an integral and essential part of adequate disclosure and fair presentation of the general purpose financial statements. The notes include the summary of significant accounting policies applied to the financial statements of the State and other necessary disclosure of pertinent matters relating to the financial position and results of operations of the State. The notes provide significant insight into the financial statements and are necessary to understand the financial statements.

Financial and Accounting System

The State's central accounting system and agency accounting records are maintained on a cash budgetary basis, reconciled and converted by the agencies to the appropriate basis of accounting at year end. Governmental fund types are converted to the modified accrual basis with revenues recognized when measurable and available and expenditures recognized when services or goods are received and the related fund liabilities incurred. Accounting records for expendable trust and agency funds are similarly converted from cash budgetary basis to modified accrual basis. The State's proprietary, nonexpendable trust and pension trust funds are converted to the accrual basis whereby revenue is recorded when earned and expenses recognized when incurred. The financial statements of the university funds have been prepared in conformity with GAAP as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants.

In developing and modifying the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. I believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Major fiscal responsibilities within the State of Mississippi are segregated among the following elected and appointed officials:

State Fiscal Management Board - The State Fiscal Management Board is responsible for providing financial policy guidelines, developing the executive budget, collecting financial data from individual agencies, developing and enforcing allotment control procedures, and compiling financial statements in conformance with generally accepted accounting principles.

State Auditor - The State Auditor, an elected official, is responsible for annually auditing the statewide combined financial statements prepared by state agencies and the State Fiscal Management Board.

State Treasurer - The State Treasurer, an elected official, is responsible for formulating and executing policy for the management of the State Treasury and depositing and investing state funds.

State Agencies - Agency directors are responsible for administering their agencies in accordance with legislative and executive mandates and for preparing the general ledger, trial balance and reports of revenues, expenditures, and fixed assets for the funds for which they are responsible.

Budgets

The State's annual budget is prepared on the cash basis utilizing encumbrance accounting. After approval of the budget by the Legislature, budgetary control is maintained by a formal appropriation and allotment system. The allotment control is designed as a management tool to enable agencies to operate on a continuing basis. Encumbrances, represented by executed but unperformed purchase orders, are recorded as expenditures for budgetary purposes if submitted for payment within the 60-day lapse period, and as a reservation of fund balance for GAAP purposes. Budget and actual expenditure amounts are recorded in the Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds.

Unexpended appropriations are available for subsequent expenditure only to the extent that encumbrances have been incurred at June 30, provided they are presented for payment during the succeeding 60-day lapse period. Lapse period expenditures are reported as expenditures in the current year budgetary presentation.

Reporting Entity

The Comprehensive Annual Financial Report presents information on the financial position and operations of state government as one reporting entity. The various agencies, departments, boards, commissions and funds of Mississippi's state government which constitute the State reporting entity are included in this Comprehensive Annual Financial Report following criteria established by the Governmental Accounting Standards Board. As more fully discussed in Note 1B, the criteria include selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service, and/or special financing relationships.

The State's Universities are reported as a "discrete presentation" in a separate fund category on the balance sheet. The University Funds Combined Statement of Revenues, Expenditures, Interfund Transfers, Operating Transfers, and Changes in Fund Balances is presented separately in conformity with applicable generally accepted accounting principles within the general purpose financial statements.

General Government Functions

Most State functions are financed through the governmental fund types, which include the general, special revenue, capital projects, and debt service funds. Revenues from governmental fund type sources for fiscal year 1987 and the changes from last fiscal year are summarized in the following tabulation:

Revenues by Source	Amount	Percent of Total	Increase (Decrease) over FY 1986
State taxes	$1,936,314,231	53.7	$22,026,889
Licenses, fees and permits	73,130,443	2.0	9,209,357
Interest on investments	39,867,322	1.1	(8,137,488)
Federal government	1,354,168,215	37.6	72,797,411
Departmental services	149,054,573	4.1	4,972,835
Other	53,996,164	1.5	(28,904,595)
	$3,606,530,948	100.0	$71,964,409

Since there was not an increase in tax rates, the increase in tax revenues shows a stable and growing economy in the State. Most tax increases are from individual, corporate and sales taxes. Federal government revenues coming into the State show the largest dollar increase. The medicaid program had an increase of $45 million in grants. The Department of Education school lunch program increased $25 million due mainly to the implementation of public kindergartens.

Expenditures from governmental fund type sources for fiscal year 1987 and the changes from the last fiscal year are summarized as follows:

Expenditures by Function	Amount	Percent of Total	Increase (Decrease) over FY 1986
General government	$ 563,363,466	17.1	$44,962,842
Education	990,150,863	30.0	64,034,503
Health and social services	1,091,492,513	33.1	56,271,998
Law, justice and public safety	128,921,691	3.9	(2,925,556)
Recreation and resources development	71,186,883	2.1	(637,101)
Regulation of business and professions	11,691,234	.4	(300,108)
Transportation	345,886,759	10.5	(57,628,196)
Debt service	70,855,756	2.2	(12,873,521)
Capital outlay	23,912,713	.7	(908,973)
	$3,297,461,878	100.0	$89,995,888

The above expenditures for education do not reflect $239,252,873 and $272,670,550 transferred to the Universities in fiscal year 1987 and fiscal year 1986, respectively. These are classified as operating transfers from the General Fund to the Universities.

The most significant percentage increase in expenditures over the previous fiscal year is in the area of education. Expenditures for education show an increase of 6.9% over fiscal year 1986. The majority of this increase is due to an increase of $1,000 in the base salaries of teachers and the state funding of kindergartens.

This report reflects a strong financial position for the State. Mississippi's performance resulted in a total governmental GAAP fund balance of $732.7 million, of which $257 million was unreserved and undesignated. Under the budgetary basis of accounting, Mississippi's performance resulted in a combined General Fund and Special Fund cash balance of $276 million at the end of the fiscal year. In comparison, at the end of fiscal year 1986, the State had a combined General Fund and Special Fund cash balance of $234 million or an increase of $42 million.

Debt Administration

The State Bond Commission, composed of the Governor, State Attorney General and State Treasurer, approves and authorizes the sale and issuance of all bonds in accordance with authorizing legislation and within defined constitutional debt limit. The total outstanding general obligation bonded indebtedness of governmental fund types for the State as of June 30, 1987, was $401,139,663, which is 12.1% of the $3,324,887,000 bonded indebtedness ceiling established by the State constitution. Mississippi currently has an Aa rating from Moody's Investors Services and an AA- rating from Standard and Poor's Corporation.

During the fiscal year ending June 30, 1987, the State Bond Commission issued $14.685 million in general obligation and limited obligation bonds. These bond issues included $10 million to construct and renovate school buildings, $2.485 million for purchase of state office facilities, and $2.2 million under the Mississippi Business Investment Act to partially finance construction and equipping of a building for the Mississippi Technology Transfer Center at the National Space Technology Laboratory site in Hancock County.

The Mississippi Business Investment Act of 1986 was created to promote business and economic development in the State through State assistance in the financing of job producing projects. This is accomplished by the State making loans (including interest-free loans) and grants to municipal governments located within the State to assist in securing strategic investments by private companies and others locating or expanding in the State. In fiscal year 1987, the State extended $7,636,400 in interest-free loans and $3,532,600 in grants to finance the location of projects in the State. These transactions are reflected in the General Fund and were funded through the issuance of short-term Business Investment Act obligations which were refinanced after the date of the financial statements, as part of the issuance of Mississippi Business Investment Act General Obligation Bonds dated August 1, 1987.

The State's constitutional debt limit is established under Section 115 of the Mississippi Constitution which provides:

> "Neither the State nor any of its direct agencies, excluding the political subdivisions and other local districts, shall incur a bonded indebtedness in excess of one and one-half (1 1/2) times the sum of all the revenue collected by it for all purposes during any one of the preceding four fiscal years, whichever may be higher."

The constitutional debt limitation for fiscal year 1988 is $3,415,249,259.

The State Fiscal Management Board has long-term planning responsibilities with respect to bond indebtedness. The following table provided by the State Fiscal Management Board forecasts the State's underlying revenues for the next five years and the subsequent year debt limitation:

Year Ending June 30	Estimated Revenues	Constitutional Debt Limit
1988	$2,417,996,475	$3,626,994,713
1989	2,584,838,232	3,877,257,348
1990	2,763,192,070	4,144,788,105
1991	2,953,852,323	4,430,778,484
1992	3,153,237,355	4,729,856,032

Current practice restricts revenues included in the foregoing debt limitation computation to the following governmental fund revenues: taxes, licenses, fees and permits, investment income, rental income, service charges including net income from the Alcoholic Beverage Control Division, fines, forfeits and penalties. Revenues shown in the preceding table were calculated by applying

Percent Change of State and Local Receipts, Table 7.1, June, 1987, Wharton Econometric Forecasting Associates to actual data for the year ended June 30, 1987.

Cash and Investment Management

It is the duty of the State Treasurer and the State Fiscal Officer, on or before the tenth day of each month and at any other time when necessary, to analyze the amount of cash in the State General Fund and in the Special Funds credited to any special purpose designated by the Legislature. They also determine when the cash in such funds is in excess of the amount needed to meet current needs. The State Treasurer's office in turn deposits such excess funds with official depositories of the State. Short-term certificates of deposit are purchased at a rate of interest which is statutorily required to be numerically equal to the discount rate on United States Treasury bills of comparable maturity. In addition, the Public Employees' Retirement System, the Mississippi Housing Finance Corporation and a small number of other State agencies carry out investment activities separate from the State Treasurer. (See Note 4 for a more detailed discussion of investments).

During the year ended June 30, 1987, the State implemented Governmental Accounting Standards Board (GASB) Statement 3. The statement requires disclosures concerning the legal or contractual provisions for deposits and investments including repurchase agreements, a description of the types of investments authorized, deposits and investments, including repurchase agreements, as of the balance sheet date and during the period, legal or contractual provisions on reverse repurchase agreements and balances as of the balance sheet date and any significant violations of legal and contractual provisions during the year. The purpose of these disclosures is to help the users of the State's financial statements assess the risks associated with the State's investments. The State does not currently have in place a means to monitor the market value of securities on a daily basis.

There are two legal funds included in the GAAP General Fund, the General Fund Stabilization Reserve Fund and the General Fund Reserve Fund, in which certain surplus monies are deposited and may be appropriated by the Legislature to meet unforeseen revenue shortfalls occurring during the next fiscal year. Although there was an excess of revenues over expenditures in fiscal year 1986, the amount of unexpended appropriation that was carried forward into fiscal year 1987 caused a deficiency of revenues over expenditures; therefore, there was not a transfer to this fund. In addition, there is a Working Cash Balance Revolving Fund with a balance of $34 million that the State Treasurer may draw upon to meet cash flow needs.

Risk Management

The State has been governed by the laws of sovereign immunity and has thus been protected from claims of negligence for its acts and the acts of its employees. On July 1, 1988, the immunity of the State will be waived to certain limits and with certain exclusions as prescribed by law. Thus the State is actively developing a risk management program. Not withstanding these exclusions, the public will be able to make claims against the State for acts of negligence either by a governmental entity or an employee of that entity.

The State is in the process of developing a pooling arrangement of all state agencies. This pooling will be to provide coverage for all risks the government's entity may be subject to under the waiver of immunity act. Money contributed to the pool will be used to provide claims handling, loss control, and litigation defense for such claims of negligences brought against a state agency. Due to the fact the State does not have loss experience data, contributions for the first two years will be based primarily on budget. As the State develops loss experience reports there will be a shift to experience as a means to calculate contributions. A pooling arrangement combined with the limits of liability as established by law provides us with a means of protecting agencies from all such risks they may face under the act.

A study is presently being conducted to develop a self-insuring workers' compensation insurance program. The experience of the agencies and their premium contribution will determine the feasibility of a self-insurance program.

The State also recognizes that property damage protection is a very important aspect of any risk management program. Future efforts to provide a comprehensive risk management program for the State will certainly include studying ways of property protection.

Pension Trust Funds

The Governmental Accounting Standards Board has issued Statement 5 concerning disclosure of pension information by Public Employee Retirement Systems of State and Local Government Employees. Although the State is not required to implement these disclosure requirements until fiscal year 1988, we are pleased to report the required disclosures are in Note 17 to the financial statements for fiscal year 1987.

Total assets of the State's two pension trust funds amounted to $3.77 billion at June 30, 1987. The actuarial report noted that progress in funding continued and that the unfunded liability liquidation periods of the Public Employees' Retirement System and of the Mississippi Highway Safety Patrol Retirement System are 14 and 16 years, respectively, as of June 30, 1986.

Proprietary Funds

Combined operating revenues for the State's enterprise funds were $116 million for the 1987 fiscal year. Combined operating expenses were $110 million during the same period. The Mississippi Housing Finance Corporation, created to provide housing loans to lower and moderate income citizens, again paced the enterprise fund activity ($76.6 million and $71.4 million in operating revenues and expenses, respectively). Outstanding enterprise fund bonds at June 30, 1987 totaled $830.6 million, consisting of $21.7 million in general obligation bonds and $808.9 million in revenue bonds.

General Fixed Assets

The general fixed assets of the State are those fixed assets used in the performance of general government functions. Infrastructure, such as highways and bridges, are not included in general fixed assets. General fixed assets exclude the fixed assets of the enterprise, internal service, nonexpendable trust and university funds. As of June 30, 1987, the State's general fixed assets amounted to $717,036,524.

University Funds

University current funds revenues were $379 million in 1987. State appropriations to these funds were $239 million. Current fund expenditures, mandatory transfers and other transfers were $590 million, $8 million and $11 million, respectively. Student loans outstanding at June 30, 1987, primarily from federal government sources, totaled $38.9 million. Total assets of the endowment and similar fund groups in 1987 were $14 million. University fund bonded debt outstanding at June 30, 1987 was $32 million consisting of $12 million in general obligation bonds and $20 million in revenue bonds.

Economic Conditions

The 1987 Legislature approved a $1.5 billion highway construction program which is to be completed over a fourteen-year period. The program is financed by removing the 6% sales tax on fuels and adding a 9 cent per gallon excise tax phased in by January, 1989. Sales tax designated for highway construction has varied but in recent years has been $50 million a year. The highway construction program will have a multiplier effect by creating employment, sales tax and income tax to the State.

The Mississippi Business Investment Act has made a commitment for a $20,103,000 interest-free loan and a $2,500,000 grant to Jackson County to finance a portion of the costs of various facilities and improvements to be transferred without charge to the U.S. Navy for use as a Naval Homeport at Singing River Island. The State will build a causeway to the Island. This project is anticipated to create approximately 2,600 new jobs. It is anticipated that additional projects of this type will be created in the future.

In November of 1986, with the approval of the Governor, the State Auditor and the Central Data Processing Authority, the State Fiscal Management Board entered into a contract with a certified public accounting firm to develop and install an automated accrual accounting system. The accounting subsystems include purchasing, accounts payable, fixed assets, general ledger/financial reporting, and a report writer. Other areas which will be covered by the subsystems are grant accounting, CAFR reporting and project/program accounting. The accounting system is presently being adapted for use in the following state agencies: Department of Education, Central Data Processing Authority, Rehabilitation Services Disability Determination Services, and the Financial Control Department of the State Fiscal Management Board.

Prospects for the Future

Mississippi is taking steps necessary to compete in the marketplace and to develop its resources. In 1982, the State Legislature adopted the first comprehensive statewide education reform in the nation. The State has now entered the fifth fiscal year since enactment, and the reform package is on schedule. The accomplishments have been substantial in grades K-12 and in college-entrance examination scores. The vocational-technical training programs in the high schools and community colleges have been revamped and new equipment added to address current needs of industry demanding new skills and new technologies. The community colleges are training and re-training approximately 25,000 persons annually in vocational training with state-of-the-art equipment.

The State, realizing the need for innovations and new technologies to build a strong competitive economy, is making the following investments and commitments toward a technology-based economy:

(a) The State has constructed a $4 million Technology Transfer Center at the National Space Technology Laboratories in Hancock County.

(b) A $20 million super-computer for use by the public and private sector will be installed at the University of Mississippi by January 7, 1988.

(c) An $11.5 million National Center for Physical Acoustics is under construction at the University of Mississippi.

(d) Mississippi State University and the City of Starkville have launched a joint effort to develop a high technology industrial park, with the cornerstone being the multimillion-dollar research program in microelectronics.

(e) Mississippi State University also has one of the nation's finest schools of veterinary medicine, whose aquaculture research is gaining national recognition and funding from State, Federal, and private sources. The new catfish industry has achieved a $250 million annual economic impact and has employed over 6,000 people.

(f) A $10 million research facility for the polymer science program is being constructed at the University of Southern Mississippi.

(g) The University of Southern Mississippi also has a joint project with NASA for applying new technologies to existing industry, particularly in the field of robotics.

(h) Federal, State, and private funds have been obtained for the Institute for Technology Development. It is expected that this project will be a model for technology development in the United States.

(i) The State and the private sector have established and opened an incubator for small businesses in Jackson.

The Legislature authorized $100 million under the Mississippi Business Investment Act to assist counties and cities in infrastructure improvements for locating or expanding industry. This new and innovative program has had a significant role in locating several national industries with high-wage jobs and the Navy Homeport at Pascagoula. The Legislature passed a $1.5 billion four-lane highway program in 1987 which will connect all areas of the State with the nation's interstate highway system. The highway system will provide easy access to the waterways that surround the state, such as the Tennessee-Tombigbee Waterway, the Mississippi River and the Gulf of Mexico.

Audit

Pursuant to Section 7-7-211(d), Miss. Code Ann. (1972), the State Auditor has performed an examination, in accordance with generally accepted auditing standards, of the State's combined financial statements. His unqualified opinion is presented as the first page of the financial section of this report.

As required by federal law, the State Auditor has undertaken a single audit of the State as a whole, which will include a legal compliance report on all federal funds received and expended by state government. This report, including the Schedule of Federal Financial Assistance received by the State and comments on internal accounting controls and compliance with laws, rules and regulations, will be published separately.

Certificate of Achievement

This report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA). GFOA awards a Certificate of Achievement to those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

Acknowledgements

Preparation of this report could not have been accomplished without the dedicated services of the staff of the Fiscal Management Board and the various agency heads and employees who assisted and contributed to its preparation.

T.H. Campbell, III
State Fiscal Officer

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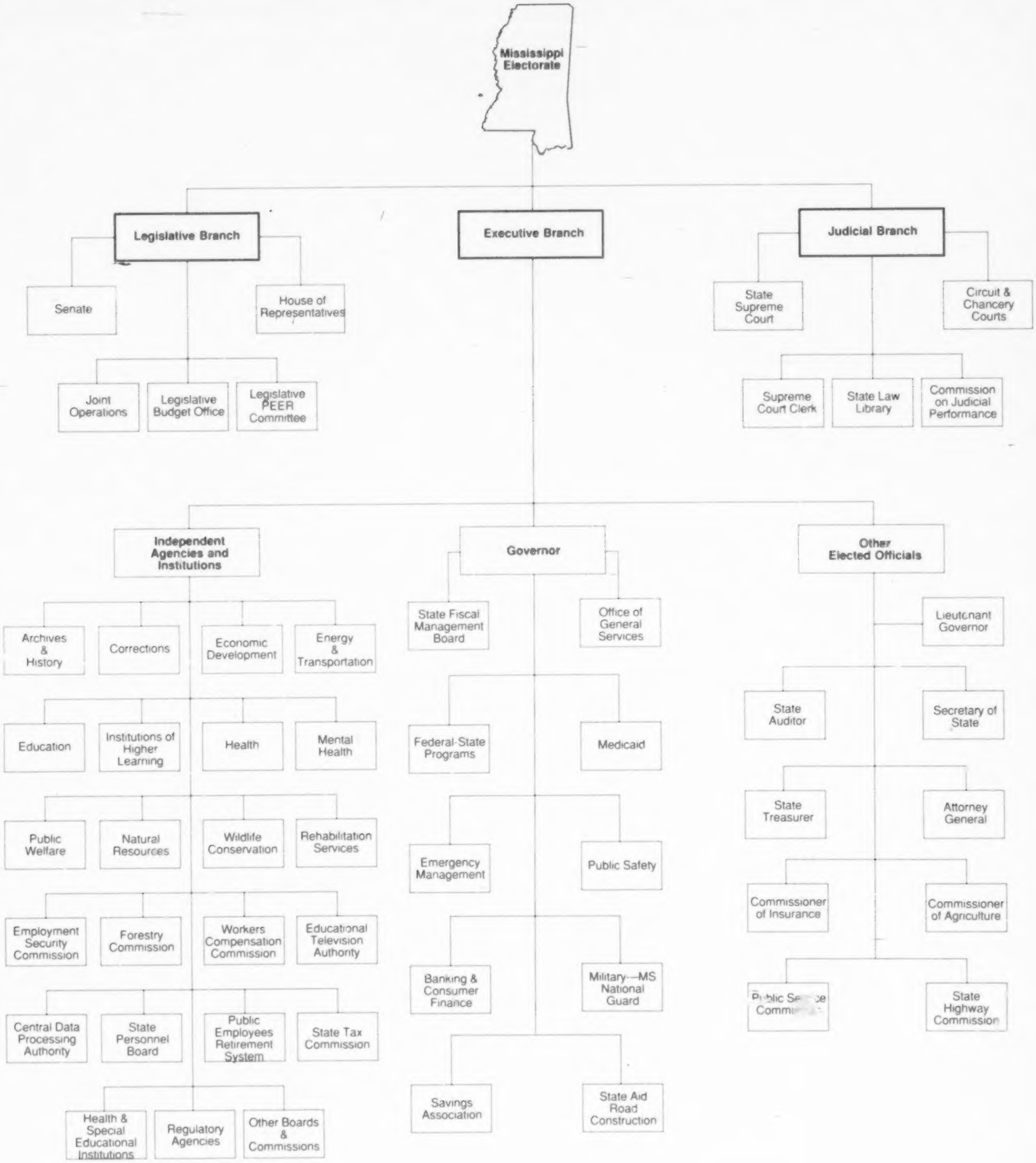
State of Mississippi

Organization Chart


Mississippi Electorate
Legislative Branch
Executive Branch
Judicial Branch
Senate
House of Representatives
Joint Operations
Legislative Budget Office
Legislative PEER Committee
State Supreme Court
Circuit & Chancery Courts
Supreme Court Clerk
State Law Library
Commission on Judicial Performance
Independent Agencies and Institutions
Governor
Other Elected Officials
Archives & History
Corrections
Economic Development
Energy & Transportation
Education
Institutions of Higher Learning
Health
Mental Health
Public Welfare
Natural Resources
Wildlife Conservation
Rehabilitation Services
Employment Security Commission
Forestry Commission
Workers Compensation Commission
Educational Television Authority
Central Data Processing Authority
State Personnel Board
Public Employees Retirement System
State Tax Commission
Health & Special Educational Institutions
Regulatory Agencies
Other Boards & Commissions
State Fiscal Management Board
Office of General Services
Federal-State Programs
Medicaid
Emergency Management
Public Safety
Banking & Consumer Finance
Military—MS National Guard
Savings Association
State Aid Road Construction
Lieutenant Governor
State Auditor
Secretary of State
State Treasurer
Attorney General
Commissioner of Insurance
Commissioner of Agriculture
Public Se[illegible]ce Commi[illegible]
State Highway Commission

Officials of State Government

Executive Branch

Governor
Bill Allain

Lieutenant Governor
Brad Dye

Secretary of State
Dick Molpus

State Auditor
Ray Mabus

State Treasurer
William J. Cole, III

Attorney General
Edwin Lloyd Pittman

Commissioner of Agriculture and Commerce
Jim Buck Ross

Commissioner of Insurance
George Dale

State Highway Commissioners
Bob Joiner
Zach Stewart
Sam W. Waggoner

State Public Service Commissioners
Nielsen Cochran
Lynn Havens
D. W. Snyder

State Fiscal Officer
Thomas H. Campbell, III

Legislative Branch

Speaker of the House of Representatives
C.B. Newman

President Pro Tempore of the Senate
Glen S. Deweese

Secretary of the Senate
Charles H. Griffin

Clerk of the House of Representatives
Charles J. Jackson, Jr.

Legislative Budget Office
Robert A. Greenlee, Director

Joint Legislative Committee on Performance Evaluation and Expenditure Review
John W. Turcotte, Director

Judicial Branch

Supreme Court of Mississippi

Chief Justice
Harry G. Walker

Presiding Justice
Roy Noble Lee

Presiding Justice
Armis E. Hawkins

Presiding Justice
Dan M. Lee

Justice
Lenore L. Prather

Justice
James L. Robertson

Justice
Michael Sullivan

Justice
Reuben Anderson

Justice
J. Ruble Griffin

Clerk of the Supreme Court of Mississippi
Sue Gordon

STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR

RAY MABUS
STATE AUDITOR

POST OFFICE BOX 956
JACKSON, MISSISSIPPI 39205-0956
(601) 359-3561

December 23, 1987

The Governor, Members of the Legislature
and Citizens of the State of Mississippi

We have examined the general purpose financial statements of the State of Mississippi as of and for the year ended June 30, 1987, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements of the State of Mississippi referred to above present fairly the financial position of the State of Mississippi at June 30, 1987, and the results of its operations and the changes in financial position of its proprietary fund types and its nonexpendable and pension trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and related schedules are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Mississippi. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical and economic data listed in the table of contents were not audited by us, and accordingly, we do not express an opinion thereon.

Ray Mabus
RAY MABUS
State AUditor

RM:ss

General Purpose Financial Statements

All Fund Types and Account Groups

Combined Balance Sheet
June 30, 1987

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets:				
Cash and cash equivalents	$ 469,942,014	$ 94,016,339	$ 35,572,920	$ 20,295,426
Amount on deposit with U.S. Treasury				
Investments		1,000,000	51,863,000	
Collateral held under reverse repurchase agreements				
Receivables, net	289,246,743	23,124,250	743,012	
Interfund receivables	7,804,730	4,158,786	3,616,584	1,436,667
Inventories	111,092,744	847,994		
Prepaid expenses				
Loans and notes receivable	7,636,400	6,882,879	68,870,000	
Loans to other funds	119,613			
Due from other governments				
Restricted assets				
Property, plant and equipment, net				
Deferred charges and other assets				
Amount available in general and debt service funds				
Amount to be provided for retirement of:				
General obligation bonds				
Limited obligation bonds				
Other obligations				
Total Assets, Amounts Available and Amounts to be Provided for Retirement of Long-term Obligations	$ 885,842,244	$ 130,030,248	$ 160,665,516	$ 21,732,093
Liabilities:				
Warrants payable	$ 61,479,739	$ 10,481,465	$ 2,465,598	$ 276,631
Accounts payable and accruals	111,185,004	3,641,800		7,352
Income tax refunds payable	70,000,000			
Due to other governments	64,695,360	3,863,304		
Interfund payables	12,962,464	11,131,834	278,034	
Amounts held in custody for others				
Obligations under reverse repurchase agreements				
Deferred revenues	96,790,414	13,293,349		72,035
Liabilities payable from restricted assets				
Loans and notes payable				
Loans from other funds	2,800,000	163,676		
General obligation bonds and notes payable				
Limited obligation bonds payable				
Revenue bonds and notes payable				
Other obligations				
Total Liabilities	419,912,981	42,575,428	2,743,632	356,018
Fund Equity:				
Contributed capital				
Investment in fixed assets				
Retained earnings:				
Reserved for bond retirement				
Unreserved				
Fund balances:				
Reserved for:				
Encumbrances	8,693,376	1,642,229		
Inventories	28,843,501	847,994		
Long-term portion of loans and notes receivable	12,147,325	4,186,666	68,870,000	
Pension benefits				
Other specific purposes				
Unreserved:				
Designated for debt service	199,432		89,051,884	
Designated for road and highway construction	131,083,397			
Designated for future capital projects				21,376,075
Designated for other specific purposes	108,107,249	266,126		
Undesignated	176,854,983	80,511,805		
Total Fund Equity	465,929,263	87,454,820	157,921,884	21,376,075
Total Liabilities and Fund Equity	$ 885,842,244	$ 130,030,248	$ 160,665,516	$ 21,732,093

The accompanying notes to the financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	University	General Fixed Assets	General Long-term Obligations	June 30, 1987	June 30, 1986
$ 94,836,343	$ 7,815,797	$ 367,741,701	$ 109,867,418	$	$	$ 1,200,087,958	$ 1,003,302,349
		358,973,618				358,973,618	359,809,752
289,373,215		2,710,099,358	6,459,985			3,058,795,558	2,628,027,621
		662,508,008				662,508,008	348,125 534
18,286,833	171,778	151,683,280	64,134,361			547,390,257	507,245,425
647,415	1,251,883	79,105,414	18,146,879			116,168,358	108,137,314
3,108,091		167,496	10,964,885			126,181,210	108,290,729
90,615			3,374,713			3,465,328	3,023.154
533,016,160			38,874,855			655,280,294	573,902,655
		2,963,676				3,083,289	2,800,000
32,214,722	9,983					32,224,705	29,545,463
1,032,741						1,032,741	4,231,124
34,084,109	6,705,450	4,573,518	769,696,834	717,036,524		1,532,096,435	1,472,979,606
3,401,347			3,288,340			6,689,687	4,979,334
					158,121,316	158,121,316	172,626,190
					131,307,710	131,307,710	103,010,389
					123,379,637	123,379,637	149,782,576
					40,461,012	40,461,012	39,196,182
$1,010,091,591	$ 15,954,891	$ 4,337,816,069	$1,024,808,270	$ 717,036,524	$ 453,269,675	$8,757,247,121	$ 7,619,015,397
$ 1,612,237	$ 1,327,039	$ 2,557,754	$ 13,659,208	$	$	$ 93,859,671	$ 88,126,321
27,859,448	821,791	39,347,317	17,674,219			200,536,931	211,146,273
						70,000,000	56,000,000
835,396		1,349,670				70,743,730	92,357,869
294,989	225,263	76,548,306	14,727,468			116,168,358	108,137,314
		113,617,913	2,560,326			116,178,239	115,536,945
		662,508,008				662,508,008	348,125,534
4,603,164		136,321	10,145,415			125,040,698	109,753,277
94,018						94,018	99,446
1,076,500						1,076,500	1,298,658
119,613						3,083,289	2,800,000
21,687,000			11,969,000		204,704,000	238,360,000	252,593,000
					208,104,663	208,104,663	209,071,155
808,856,541			31,400,702			840,257,243	598,384,790
267,971	2,511,828	5,793	9,378,809		40,461,012	52,625,413	50,685,416
867,306,877	4,885,921	896,071,082	111,515,147		453,269,675	2,798,636,761	2,244,115,998
50,033,369						50,033,369	50,078,474
			624,711,313	717,036,524		1,341,747,837	1,377,729,593
938,723						938,723	1,961,529
91,812,622	11,068,970					102,881,592	85,156,785
						10,335,605	16,641,684
						29,691,495	29,167,793
		2,963,676				88,167,667	82,606,717
		3,001,720,259				3,001,720,259	2,591,760,282
		435,465,514	89,450,562			524,916,076	548,030,939
						89,251,316	100,300,431
						131,083,397	117,247,126
						21,376,075	22,232,214
						108,373,375	108,228,904
		1,595,538	199,131,248			458,093,574	243,756,928
142,784,714	11,068,970	3,441,744,987	913,293,123	717,036,524		5,958,610,360	5,374,899,399
$1,010,091,591	$ 15,954,891	$ 4,337,816,069	$1,024,808,270	$ 717,036,524	$ 453,269,675	$8,757,247,121	$ 7,619,015,397

All Governmental Fund Types and Expendable Trust Funds

Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1987

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	$ 1,936,139,231	$ 175,000	$	$
Licenses, fees and permits	37,173,968	28,249,754		3,440,390
Employer premiums				
Federal government	1,134,941,451	222,716,658		
Interest	28,981,932	3,281,401	8,380,406	
Departmental services	146,416,756	2,637,837		
Rentals	4,249,733	890,015	259,845	
Payments in lieu of taxes			11,285,411	
Court assessments		12,320,796		
Other	22,860,212	2,112,303	123	17,726
Total Revenues	3,310,763,283	272,383,764	19,925,785	3,458,116
Expenditures:				
Current:				
General government	467,728,304	95,635,162		
Education	989,852,829	298,034		
Health and social services	1,015,369,320	76,123,193		
Law, justice and public safety	115,498,022	13,423,669		
Recreation and resources development	52,888,854	18,298,029		
Regulation of business and professions		11,691,234		
Transportation	336,817,295	9,069,464		
Debt service:				
Principal	9,679,680	314,091	34,400,000	
Interest and other fiscal charges	2,110,753	169,893	24,181,339	
Capital outlay				23,912,713
Total Expenditures	2,989,945,057	225,022,769	58,581,339	23,912,713
Excess of Revenues over (under) Expenditures	320,818,226	47,360,995	(38,655,554)	(20,454,597)
Other Financing Sources (Uses):				
Proceeds from general obligation bond and note issues	23,869,000			2,485,000
Proceeds of capital leases	3,250,240			
Payments to refunded bond escrow agent				
Reduction in carrying value of investment securities in connection with bond refunding				
Operating transfers in	79,645,609	69,357,365	60,152,466	29,687,708
Operating transfers out	(348,200,107)	(96,312,122)	(36,201,218)	(12,574,250)
Net Other Financing Sources (Uses)	(241,435,258)	(26,954,757)	23,951,248	19,598,458
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	79,382,968	20,406,238	(14,704,306)	(856,139)
Fund Balances July 1, as Restated	384,204,334	68,763,930	172,626,190	22,232,214
Residual Equity Transfer	1,916,992	(1,866,992)		
Increase (Decrease) in Reserve for Inventories	424,969	151,644		
Fund Balances June 30	$ 465,929,263	$ 87,454,820	$ 157,921,884	$ 21,376,075

The accompanying notes to the financial statements are an integral part of this statement.

Fiduciary Fund Type	Totals (Memorandum Only) for the Year Ended	
Expendable Trust	June 30, 1987	June 30, 1986
$ 68,376,272	$2,004,690,503	$2,029,419,531
	68,864,112	63,921,086
54,305,819	54,305,819	55,406,628
3,410,931	1,361,069,040	1,284,233,079
35,599,982	76,243,721	83,510,423
	149,054,593	144,081,738
	5,399,593	4,339,012
	11,285,411	11,249,406
	12,320,796	28,378,643
265,307	25,255,671	39,066,266
161,958,311	3,768,489,259	3,743,605,812
51,574,709	614,938,175	568,680,826
	990,150,863	926,116,360
112,038,048	1,203,530,561	1,134,247,187
	128,921,691	131,847,247
	71,186,883	71,823,984
	11,691,234	11,991,342
	345,886,759	403,514,955
	44,393,771	48,596,556
	26,461,985	35,132,721
	23,912,713	24,821,686
163,612,757	3,461,074,635	3,356,772,864
(1,654,446)	307,414,624	386,832,948
	26,354,000	198,626,254
	3,250,240	
		(313,279,323)
		(31,969,458)
	238,843,148	190,332,036
(159,982)	(493,447,679)	(475,167,336)
(159,982)	(225,000,291)	(431,457,827)
(1,814,428)	82,414,333	(44,624,879)
422,755,933	1,070,582,601	1,116,721,673
	50,000	
	576,613	(1,514,193)
$ 420,941,505	$1,153,623,547	$1,070,582,601

Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis)

For the Year Ended June 30, 1987

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales tax	$ 686,700,000	$ 670,218,934	$ (16,481,066)
Individual income tax	267,000,000	303,014,865	36,014,865
Corporate income and franchise taxes	143,500,000	173,355,237	29,855,237
Use and wholesale compensating taxes	95,000,000	90,246,318	(4,753,682)
Tobacco, beer and wine taxes	68,600,000	73,297,112	4,697,112
Insurance tax	56,560,000	68,581,550	12,021,550
Oil and gas severance taxes	38,500,000	34,041,341	(4,458,659)
Alcoholic Beverages Control excise and privilege tax and net profit on sale of alcoholic beverages	32,900,000	34,317,626	1,417,626
Inheritance tax	10,000,000	10,420,826	420,826
Other taxes	14,400,000	14,934,044	534,044
Interest income	21,000,000	20,862,200	(137,800)
Auto privilege, tag and title fees	10,260,000	10,418,133	158,133
Highway Safety Patrol fees	9,750,000	12,014,300	2,264,300
Other fees and services	5,480,000	7,793,499	2,313,499
Miscellaneous	4,450,000	2,827,796	(1,622,204)
Special Fund revenues			
Total Revenues	1,464,100,000	1,526,343,781	62,243,781
Expenditures by Major Budgetary Function:			
Legislative	10,796,211	9,688,895	1,107,316
Judicial and justice	16,652,108	16,382,149	269,959
Executive and administrative	9,901,615	9,401,582	500,033
Fiscal affairs	32,458,412	32,336,149	122,263
Public education	713,548,113	708,686,738	4,861,375
Higher education	246,966,387	246,902,477	63,910
Public health	106,813,960	104,629,734	2,184,226
Hospitals and hospital schools	63,667,795	63,276,874	390,921
Agriculture, commerce and economic development	54,874,961	54,647,418	227,543
Conservation and recreation	24,789,399	24,778,589	10,810
Insurance and banking	2,359,597	2,286,494	73,103
Corrections	58,726,058	57,395,834	1,330,224
Interdepartmental service	1,045,161	983,354	61,807
Social welfare	35,856,480	35,871,053	(14,573)
Public protection and veterans assistance	42,626,645	37,779,121	4,847,524
Local assistance	64,900,000	62,893,767	2,006,233
Motor vehicle and other regulatory agencies	1,444,778	1,443,923	855
Miscellaneous	1,911,986	1,699,403	212,583
Public works	173,822	158,227	15,595
Debt service	9,064,575	9,044,895	19,680
Total Expenditures	1,498,578,063	1,480,286,676	18,291,387
Excess of Revenues over (under) Expenditures	(34,478,063)	46,057,105	80,535,168
Other Financing Sources (Uses):			
Operating transfers in (out)	26,500,000	27,606,827	1,106,827
Excess of Revenues over (under) Expenditures and Other Financing Sources (Uses)	(7,978,063)	73,663,932	81,641,995
Budgetary Fund Balances July 1, 1986	18,289,240	51,790,808	33,501,568
Reclassification Between Budgetary/Nonbudgetary Funds - Net			
Difference in 1986 reported fund balance and 1987 estimated fund balance	4,551,096		(4,551,096)
Budgetary Fund Balance, July 1, 1986, as Reclassified	22,840,336	51,790,808	28,950,472
Budgetary Fund Balances June 30, 1987	$ 14,862,273	$ 125,454,740	$ 110,592,467

The accompanying notes to the financial statements are an integral part of this statement.

Special Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$	$	$	$ 686,700,000	$ 670,218,934	$ (16,481,066)
			267,000,000	303,014,865	36,014,865
			143,500,000	173,355,237	29,855,237
			95,000,000	90,246,318	(4,753,682)
			68,600,000	73,297,112	4,697,112
			56,560,000	68,581,550	12,021,550
			38,500,000	34,041,341	(4,458,659)
			32,900,000	34,317,626	1,417,626
			10,000,000	10,420,826	420,826
			14,400,000	14,934,044	534,044
			21,000,000	20,862,200	(137,800)
			10,260,000	10,418,133	158,133
			9,750,000	12,014,300	2,264,300
			5,480,000	7,793,499	2,313,499
			4,450,000	2,827,796	(1,622,204)
1,894,706,805	1,563,323,085	(331,383,720)	1,894,706,805	1,563,323,085	(331,383,720)
1,894,706,805	1,563,323,085	(331,383,720)	3,358,806,805	3,089,666,866	(269,139,939)
			10,796,211	9,688,895	1,107,316
1,367,045	934,049	432,996	18,019,153	17,316,198	702,955
169,241,535	144,441,219	24,800,316	179,143,150	153,842,801	25,300,349
72,227,156	65,997,876	6,229,280	104,685,568	98,334,025	6,351,543
239,394,625	217,501,531	21,893,094	952,942,738	926,188,269	26,754,469
2,009,958	1,160,595	849,363	248,976,345	248,063,072	913,273
439,757,892	399,374,017	40,383,875	546,571,852	504,003,751	42,568,101
74,889,164	61,412,214	13,476,950	138,556,959	124,689,088	13,867,871
8,347,350	6,190,232	2,157,118	63,222,311	60,837,650	2,384,661
39,234,538	34,419,772	4,814,766	64,023,937	59,198,361	4,825,576
9,046,432	7,876,696	1,169,736	11,406,029	10,163,190	1,242,839
7,699,996	6,179,672	1,520,324	66,426,054	63,575,506	2,850,548
19,206,875	6,750,376	12,456,499	20,252,036	7,733,730	12,518,306
184,999,903	157,136,434	27,863,469	220,856,383	193,007,487	27,848,896
65,022,917	25,402,606	39,620,311	107,649,562	63,181,727	44,467,835
3,387,366	3,387,306	60	68,287,366	66,281,073	2,006,293
32,429,448	15,796,138	16,633,310	33,874,226	17,240,061	16,634,165
1,596,968	1,334,045	262,923	3,508,954	3,033,448	475,506
498,347,637	350,831,824	147,515,813	498,521,459	350,990,051	147,531,408
			9,064,575	9,044,895	19,680
1,868,206,805	1,506,126,602	362,080,203	3,366,784,868	2,986,413,278	380,371,590
26,500,000	57,196,483	30,696,483	(7,978,063)	103,253,588	111,231,651
(26,500,000)	(27,606,827)	(1,106,827)			
0	29,589,656	29,589,656	(7,978,063)	103,253,588	111,231,651
	136,862,599	136,862,599	18,289,240	188,653,407	170,364,167
	(17,047,588)	(17,047,588)		(17,047,588)	(17,047,588)
			4,551,096		(4,551,096)
	119,815,011	119,815,011	22,840,336	171,605,819	148,765,483
$ 0	$ 149,404,667	$ 149,404,667	$ 14,862,273	$ 274,859,407	$ 259,997,134

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances For the Year Ended June 30, 1987

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only) for the Year Ended	
	Enterprise	Internal Service	Non-expendable Trust	Pension Trust	June 30, 1987	June 30, 1986
Operating Revenues:						
Charges for sales and services	$ 28,702,641	$ 13,627,148	$	$	$ 42,329,789	$ 41,659,623
Contributions				282,031,591	282,031,591	276,597,323
Interest and other investment income	81,929,983		968,614	330,488,979	413,387,576	408,306,575
Income from securities lending transactions				17,816,960	17,816,960	17,316,283
Rentals	308,243				308,243	290,609
Fee income	4,037,093				4,037,093	4,612,846
Other	879,721	78	536,151	1,355,819	2,771,769	6,688,456
Total Operating Revenues	115,857,681	13,627,226	1,504,765	631,693,349	762,683,021	755,471,715
Operating Expenses:						
Costs of sales and services	14,262,839				14,262,839	18,573,061
Benefits				164,083,383	164,083,383	132,249,153
Refunds				33,612,614	33,612,614	29,428,501
Rebates on securities lending transactions				15,983,738	15,983,738	15,581,455
Administrative expenses	18,187,361	10,067,196	12	7,873,529	36,128,098	29,400,283
Interest	74,282,478	151,762			74,434,240	57,359,107
Depreciation and amortization	2,017,810	1,657,448		198,150	3,873,408	3,501,412
Other	1,150,978	127,103	1,800	7,296	1,287,177	1,969,840
Total Operating Expenses	109,901,466	12,003,509	1,812	221,758,710	343,665,497	288,062,812
Operating Income	5,956,215	1,623,717	1,502,953	409,934,639	419,017,524	467,408,903
Nonoperating Revenues	671,898				671,898	749,780
Nonoperating Expenses	37,385	20,900			58,285	2,009,230
Income Before Operating Transfers	6,590,728	1,602,817	1,502,953	409,934,639	419,631,137	466,149,453
Operating Transfers In	9,192,332	566,327	165,817	8,449,339	18,373,815	13,824,436
Operating Transfers Out	(912,249)	(2,940)	(973,709)	(8,424,001)	(10,312,899)	(9,710,602)
Net Income	14,870,811	2,166,204	695,061	409,959,977	427,692,053	470,263,287
Retained Earnings/Fund Balances July 1, as Restated	78,215,548	8,902,766	18,388,162	2,591,760,282	2,697,266,758	2,227,003,471
Residual Equity Transfers	(335,014)				(335,014)	
Retained Earnings/Fund Balances June 30	$ 92,751,345	$ 11,068,970	$ 19,083,223	$ 3,001,720,259	$ 3,124,623,797	$ 2,697,266,758

The accompanying notes to the financial statements are an integral part of this statement.

All Proprietary Fund Types and Similar Trust Funds

Combined Statement of Changes in Financial Position
For the Year Ended June 30, 1987

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only) for the Year Ended	
	Enterprise	Internal Service	Non-expendable Trust	Pension Trust	June 30, 1987	June 30, 1986
Sources of Working Capital:						
Operations:						
Net income	$ 14,870,811	$ 2,166,204	$ 695,061	$ 409,959,977	$ 427,692,053	$ 470,263,287
Items not requiring working capital:						
Depreciation and amortization	8,357,067	1,657,448		198,150	10,212,665	3,501,412
Other	127,389	6,534			133,923	3,207,694
Working Capital Provided by Operations	23,355,267	3,830,186	695,061	410,158,127	438,038,641	476,972,393
Proceeds from loan receipts						90,285
Proceeds from sale of bonds	266,356,000				266,356,000	197,350,000
Proceeds from capital leases	63,060	1,141,708			1,204,768	827,716
Proceeds from sale of assets	153,810	20,900		10,794	185,504	85,377
Repayment of loans receivable	39,454,524				39,454,524	17,144,689
Net decrease in restricted assets	1,022,806	2,170,149			3,192,955	
Total Sources of Working Capital	330,405,467	7,162,943	695,061	410,168,921	748,432,392	692,470,460
Uses of Working Capital:						
Acquisition of property, plant and equipment	115,491,832	2,001,559		261,996	117,755,387	64,066,057
Decrease in long-term loans and other debt		1,807,410			1,807,410	2,287,030
Current installment and repayment of long term debt	45,898,557				45,898,557	13,356,283
Issuance of new loans, net of change in current portion	122,431,298				122,431,298	153,829,047
Net increase in restricted assets						2,554,498
Bond issuance cost	1,212,813				1,212,813	
Residual equity transfer	99,303				99,303	
Other	84,622				84,622	1,193,880
Total Uses of Working Capital	285,218,425	3,808,969		261,996	289,289,390	237,286,795
Net Increase in Working Capital	$ 45,187,042	$ 3,353,974	$ 695,061	$ 409,906,925	$ 459,143,002	$ 455,183,665
Elements of Net Increase (Decrease) in Working Capital:						
Cash and cash equivalents	$ 57,181,066	$ 1,096,446	$ 195,627	$ 85,164,263	$ 143,637,402	$ (150,966,879)
Investments				284,281,639	284,281,639	552,237,044
Collateral held under reverse repurchase agreements				314,382,474	314,382,474	348,125,534
Receivables	6,041,521	138,525	(48,414)	29,598,957	35,730,589	(4,783,699)
Interfund receivables	176,439	135,307	3,203	7,557,671	7,872,620	10,053,074
Inventories	(101,412)				(101,412)	(64,155)
Prepaid expenses	6,139	(15,223)			(9,084)	104,866
Other assets	737,103				737,103	190,663
Warrants payable	(1,160,211)	(824,724)		211,696	(1,773,239)	(1,166,037)
Accounts payable and accruals	(2,056,130)	672,201		6,268,358	4,884,429	25,056,729
Due to other governments	(435,396)				(435,396)	(400,000)
Interfund payables	(24,694)	2,272,656	544,045	(3,175,659)	(383,652)	27,560,132
Obligations under reverse repurchase agreements				(314,382,474)	(314,382,474)	(348,125,534)
Loans and notes payable - current portion	25,080				25,080	121,333
Current portion of long-term debt	(13,339,512)	(121,214)			(13,460,726)	(2,425,000)
Deferred revenues	(2,002,524)				(2,002,524)	(763,795)
Amounts held in custody for others			600		600	12
Other liabilities	139,573				139,573	429,377
Net Increase in Working Capital	$ 45,187,042	$ 3,353,974	$ 695,061	$ 409,906,925	$ 459,143,002	$ 455,183,665

The accompanying notes to the financial statements are an integral part of this statement.

University Funds

Combined Statement of Revenues, Expenditures, Interfund Transfers, Operating Transfers, and Changes in Fund Balances
For the Year Ended June 30, 1987

	Current Funds		Fiduciary Funds	
	Unrestricted	Restricted	Loan	Endowment and Similar
Revenues and Other Additions:				
Tuition and fees	$ 90,335,048	$ 14,160	$	$
Federal appropriations, grants and contracts	15,935,185	70,729,927	1,629,023	125,000
State grants and contracts	576,490	8,716,974		
Local appropriations, grants and contracts	2,793,175	841,865	3,257	
Private gifts, grants and contracts	4,224,629	15,401,949	432,473	1,413,115
Endowment income	73,566	969,889		51,387
Investment income	3,370,606	35,436	726,933	151,701
Interest on loans receivable			1,095,803	
Proceeds from bonds and notes				
Additions to plant facilities				
Retirement of indebtedness				
Sales and services of educational activities	15,084,696	207,344		
Sales and services of auxiliary activities	75,084,567			
Sales and services of hospital	63,699,055			
Independent operations				
Other	10,822,153	50,022	498,950	572,350
Total Revenues and Other Additions	281,999,170	96,967,566	4,386,439	2,313,553
Expenditures and Other Deductions:				
Educational and general:				
Instruction	155,036,856	8,683,328		
Research	37,384,848	31,402,872		
Public service	25,899,661	9,087,116		
Academic support	31,050,052	2,642,452		
Student services	16,431,294	1,342,405		
Institutional support	37,350,964	4,198,103		
Operation and maintenance of plant	37,314,725	806,689		
Scholarships and fellowships	11,171,939	36,033,578	216,900	
Auxiliary enterprises	75,263,073	626,924		
Hospital	62,194,627			
Independent operations	1,067,627			
Administrative and indirect costs recovered		4,873,473	59,821	
Refunds to grantors	31,036	89,199	86,779	
Loan cancellations and write-offs			2,525,632	
Collection costs			706,165	
Expended for plant facilities				
Repairs and maintenance				
Plant assets sold or retired				
Long-term debt incurred				
Retirement of indebtedness				
Interest on indebtedness				
Change in provision for uncollectible accounts	194,581			
Other	5,174			35,316
Total Expenditures and Other Deductions	490,396,457	99,786,139	3,595,297	35,316
University Funds Interfund Transfers In (Out):				
Mandatory:				
Principal and interest	(6,727,979)	(36,025)		
Restricted fund matching	(2,835,517)	2,898,151		
Loan fund matching	(183,284)		183,284	
Renewals and replacements	(1,275,597)			
Nonmandatory:				
Building projects	(8,643,611)	(636,294)	32,868	
Other	(1,312,421)	(325,334)	(18,912)	12,087
Total University Funds Interfund Transfers In (Out)	(20,978,409)	1,900,498	197,240	12,087
Operating Transfers In:				
General Fund	239,037,817		215,056	
Capital projects funds				
Total Operating Transfers In	239,037,817		215,056	
Net Increase (Decrease) in Fund Balances	9,662,121	(918,075)	1,203,438	2,290,324
Fund Balances, July 1	73,869,655	13,054,185	51,621,254	11,493,978
Fund Balances, June 30	$ 83,531,776	$ 12,136,110	$ 52,824,692	$ 13,784,302

The accompanying notes to the financial statements are an integral part of this statement.

Plant Funds				Totals (Memorandum Only) for the Year Ended	
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	June 30, 1987	June 30, 1986
$ 132,867	$	$ 407,804	$	$ 90,889,879	$ 78,757,685
612,078		87,192		89,118,405	89,103,204
				9,293,464	6,958,349
142,392		135,000		3,915,689	3,953,841
412,589		546,960		22,431,715	21,701,772
3,620				1,098,462	670,226
392,259	503,823	426,388		5,607,146	3,335,680
				1,095,803	923,759
		2,117,096		2,117,096	2,000,000
			42,441,531	42,441,531	49,298,689
			7,411,198	7,411,198	10,055,599
6,429				15,298,469	15,642,643
				75,084,567	75,318,026
				63,699,055	61,536,278
					306,166
227,295	180,180	117,284		12,468,234	14,085,619
1,929,529	684,003	3,837,724	49,852,729	441,970,713	433,647,536
				163,720,184	169,399,405
				68,787,720	71,996,036
				34,986,777	40,425,510
				33,692,504	36,942,114
				17,773,699	18,862,686
				41,549,067	41,357,456
				38,121,414	39,756,910
				47,422,417	46,173,228
				75,889,997	70,447,647
				62,194,627	59,371,516
				1,067,627	1,097,096
				4,933,294	3,557,309
				207,014	5,708,713
				2,525,632	999,231
				706,165	561,307
16,438,619	12,208			16,450,827	19,817,484
1,867,892	89,519			1,957,411	1,555,772
			20,518,119	20,518,119	22,207,781
			7,964,393	7,964,393	5,254,224
		7,411,198		7,411,198	8,445,490
		2,925,543		2,925,543	2,892,403
				194,581	353,083
	28,764	89,994		159,248	90,009
18,306,511	130,491	10,426,735	28,482,512	651,159,458	667,272,410
(142,886)	25,000	6,881,890			
(62,634)					
(100,000)	1,137,173	238,424			
9,842,375	(595,338)				
528,703	1,072,502	43,375			
10,065,558	1,639,337	7,163,689			
				239,252,873	272,670,550
7,290,742				7,290,742	8,050,916
7,290,742				246,543,615	280,721,466
979,318	2,192,849	574,678	21,370,217	37,354,870	47,096,592
14,037,620	9,459,839	5,705,442	696,696,280	875,938,253	828,841,661
$ 15,016,938	$ 11,652,688	$ 6,280,120	$ 718,066,497	$ 913,293,123	$ 875,938,253

June 30, 1987

Note 1—Significant Accounting Policies

A. **Basis of Presentation** - The accompanying financial statements of the State of Mississippi have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements of the university funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers (NACUBO).

B. **Financial Reporting Entity** - For financial reporting purposes, in conformance with generally accepted accounting principles, the State of Mississippi includes all fund types and account groups of the various commissions, departments, boards, and elected officials of the State, as well as universities and other organizational units (hereinafter referred to collectively as "agencies") over which the State's legislative and/or executive branches exercise oversight responsibility. Oversight responsibility is defined to include: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service, and/or special financing relationships.

Based on the application of the above criteria, the following organizations have been determined to be component units of the State reporting entity and are included in the accompanying financial statements:

- Allied Enterprises
- Certified Development Corporation
- County health departments
- County welfare departments
- Mississippi Guaranteed Student Loan Agency
- Mississippi Hospital Equipment Financing Authority
- Mississippi Housing Finance Corporation
- Mississippi Industries for the Blind
- Port Authority at Gulfport
- Public Employees' Retirement System
- University Press
- Yellow Creek Inland Port Authority

The Mississippi Housing Finance Corporation fiscal year ends on August 31. Since the financial statements of that component unit as of and for the year ended August 31, 1987 were not available when this report was prepared, August 31, 1986 financial statements have been combined into the accompanying June 30, 1987 financial statements.

The following organizations have been determined not to be part of the reporting entity based on consideration of the manifestations of oversight, scope of public service, or special financing relationships criteria and are therefore excluded from the accompanying financial statements because the State does not control or significantly influence the assets, operations or management of the respective entities:

- Coast Coliseum
- Drainage districts
- Levee boards
- Locally controlled two-year junior colleges
- Locally controlled vocational-technical schools
- Municipal and county ports and harbors
- Municipalities and counties
- Planning and development districts
- Regional airports
- Regional libraries
- Regional mental health centers
- School districts
- Soil and water conservation districts
- Waterway districts

C. **Fund Accounting** - The financial activities of the State are recorded in individual funds and account groups classified in the accompanying financial statements by fund type. The fund types are categorized according to governmental funds, proprietary funds, fiduciary funds, and university funds. Account groups are presented for general fixed assets and general long-term obligations. Each individual fund and account group is a separate accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

GOVERNMENTAL FUND TYPES

General - Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not required to be accounted for in other funds, are accounted for in the General Fund. These services include, among others, general government, education (other than institutions of higher learning), public safety, health and social services, and transportation. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue - Transactions related to resources obtained from specific revenue sources (other than for expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes are accounted for in special revenue funds. Special revenue funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

Debt Service - Transactions related to resources obtained and accumulated to pay interest and principal on general long-term obligations (other than capital leases and compensated absences) are generally accounted for in debt service funds.

Capital Projects - Transactions related to resources obtained and used for the acquisition, construction or improvement of major capital facilities are accounted for in capital projects funds. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the General Fund.

PROPRIETARY FUND TYPES

Enterprise - Enterprise funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service - Internal service funds account for the operations of State agencies which render services and provide goods to other State agencies or governmental units on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Trust

Expendable - Expendable trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of designated operations.

Nonexpendable - Nonexpendable trust funds account for assets held by the State in a trustee capacity where only income derived from the principal may be expended in the course of designated operations. Principal must be preserved intact.

Pension - Pension trust funds account for transactions, assets, liabilities and net assets available for plan benefits of the State's public employee retirement systems.

Agency

Agency funds account for various taxes, deposits, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

UNIVERSITY FUNDS

University funds account for the operations of State universities in accordance with existing authoritative accounting and reporting principles applicable to universities. Accordingly, the university funds are an aggregation of the following funds:

Current - Current funds account for resources that will be expended in the near term for operating purposes. These include unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only for purposes designated by a donor or other external organization.

Fiduciary - Fiduciary funds account for assets held by loan and endowment funds over which the universities act in a fiduciary capacity.

Plant - Plant funds account for resources available for acquisition, renewal and replacement of institutional properties and to service debt incurred to acquire such properties.

ACCOUNT GROUPS

General Fixed Assets - The general fixed assets account group accounts for all fixed assets acquired or constructed for use by the State, other than those accounted for in the proprietary, fiduciary, and university funds.

General Long-Term Obligations - The general long-term obligations account group accounts for general obligation bonds, limited obligation bonds, compensated absences, and other long-term obligations not recorded in proprietary, fiduciary, and university funds.

D. **Basis of Accounting/Measurement Focus**

Governmental Fund Types and Expendable Trust and Agency Funds - The accounts of the General, special revenue, debt service, capital projects, expendable trust and agency funds are reported using the modified accrual basis of accounting and a funds flow measurement focus. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance operations of the fiscal year. Available means collected in the current year or soon enough after year end to liquidate liabilities existing at the end of the year. Significant revenue sources which are susceptible to accrual include sales taxes, individual income taxes, corporate income taxes and federal grants. Licenses, fees, permits and other miscellaneous revenues are recognized when received since they normally are only measurable at that time. Expenditures and related fund liabilities are recognized upon receipt of goods and services.

Modifications to the accrual basis of accounting include: interest expense on long-term obligations reflected in the general long-term obligations account group is recognized in the debt service funds when it becomes due; inventories of materials and supplies are recorded as expenditures at acquisition; obligations for employee personal leave and major medical leave are recorded as expenditures when paid.

Proprietary Fund Types and Nonexpendable and Pension Trust Funds - The accounts of the enterprise, internal service, nonexpendable trust and pension trust funds are reported using the accrual basis of accounting and a spending measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

University Fund Type - The accounts of the university funds are reported using the accrual basis of accounting with the following exceptions: depreciation expense related to plant fund assets is not recorded; revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

E. **Budgetary Accounting** - The State's annual budget is prepared principally on the cash basis utilizing encumbrance accounting. Encumbrances, represented by executed but unperformed purchase orders, are recorded as expenditures for budgetary purposes if presented for payment in the 60-day lapse period and as reservations of fund balance for GAAP purposes. Since the budgetary basis differs from generally accepted accounting principles, budget and actual amounts in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds are presented on the budgetary basis. A reconciliation of the excess of revenues over (under) expenditures and other financing sources (uses) on a budgetary basis at June 30, 1987 to the excess of revenues over (under) expenditures and other financing sources (uses) presented in conformity with generally accepted accounting principles is set forth in Note 2.

Unexpended appropriations are available for subsequent expenditure only to the extent that encumbrances have been incurred at June 30, provided they are presented for payment during the succeeding 60-day lapse period. Lapse period expenditures are reported as expenditures in the current year budgetary presentation. At the end of the 60-day lapse period, unexpended appropriations are available for reappropriation.

F. **Cash and Cash Equivalents** - Cash and cash equivalents include bank accounts, petty cash, and short-term investments such as certificates of deposit, and repurchase agreements. These investments are stated at cost which at June 30, 1987 approximated market. Collateral, as further discussed in Note 4, is pledged by the various banks and securities dealers to guarantee State funds .

G. **Investments** - Investments are generally recorded at cost [see Notes 4 and 17(2)]. Investments of the Government Employees' Deferred Compensation Plan Fund (an agency fund) are stated at market except for life insurance contracts which are stated at cash surrender value.

H. **Reverse Repurchase Agreements** - The Mississippi Public Employees' Retirement System is authorized to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The assets and liabilities arising from reverse repurchase agreements are not netted on the Combined Balance Sheet. They are reflected separately under the captions Collateral under Reverse Repurchase Agreements and Obligations under Reverse Repurchase Agreements (see Note 4).

I. **Receivables** - Receivables in the governmental and fiduciary funds primarily consist of interest and federal revenues, both recorded when earned, and taxes that are susceptible to accrual - mainly sales and income taxes. Receivables in the proprietary funds occur in the ordinary course of business. Receivables are reported net of allowances for uncollectible accounts where applicable.

J. **Interfund Transactions** - The State has the following types of interfund transactions:

- **Quasi-external Transactions** - Charges for services rendered by one fund to another that are treated as revenues of the recipient fund and expenditures or expense of the disbursing fund.
- **Reimbursements** - Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.
- **Residual Equity Transfers** - Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund equity.
- **Operating Transfers** - Legally authorized transfers other than residual equity transfers are reported as operating transfers. Operating transfers from the General Fund are transfers of appropriated or diverted tax revenues.

The composition of the State's interfund receivables and payables is presented in Note 6.

K. **Inventories** - Inventories of supplies and materials are principally stated at the lower of cost or market, generally using the first-in, first-out method. Cost of inventories held for use in constructing highways is determined by weighted average methods. Inventories of food stamps are recorded at their face value, with a corresponding deferred revenue. Since the food stamp inventory has not been distributed to the recipients, the revenue recognition criteria has not been met.

L. **Property, Plant and Equipment**

General Fixed Assets - General fixed assets are stated at cost, or for donated assets, at market value at the time of donation. Lands deeded to the State at its formation (1,117,838 acres) are recorded at $1 per acre. Certain public domain (infrastructure) general fixed assets, principally highways, bridges and rights-of-way, are not capitalized. Depreciation is not provided on general fixed assets.

Proprietary and Fiduciary Fund Types - Property, plant and equipment are stated at cost or, for donated assets, at fair market value at the time of donation. Generally, property, plant and equipment, excluding land, are depreciated on the straight line method over the estimated service lives of the respective assets ranging from 20 to 50 years for buildings and improvements and 3 to 10 years for machinery and equipment.

University Funds - Property, plant and equipment are stated at cost or, for donated assets, at market value at the time of donation. Generally, public domain (infrastructure) assets such as streets, sidewalks, lighting systems and curbs are capitalized. Consistent with generally accepted accounting principles for universities, plant assets are not depreciated.

M. **Accumulated Unpaid Personal Leave and Major Medical Leave**

Mississippi State law authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. No payment is authorized for accrued major medical leave unless the employee presents medical evidence that their physical condition is such that they can no longer work in a capacity of State government. The State's liability for governmental fund type liability for accumulated unpaid personal leave, up to the maximum of 30 days per employee, is reported in the accompanying general long-term obligations account group. The obligation is reported as a liability in the respective funds for the proprietary and similar trust fund types. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current-year expenditures. The State uses the last-in, first-out method of recognizing the use of compensated absences. The reported liability for accumulated unpaid personal leave applicable to all fund types includes the related fringe benefits that the State as employer is required to pay when the accrued compensated absences are liquidated.

Accumulated unpaid major medical leave is not accrued because it is not probable that the compensation will be paid in a lump sum other than in the event of severe illness.

N. **Fund Equity Reservations/Designations**

Reserved Fund Balance /Retained Earnings - Reserved fund balance/retained earnings indicates that a portion of the fund equity balance is not available for appropriation or expenditure or is legally segregated for specific future use. Total reserved fund balances/retained earnings were as follows at June 30, 1987 (amounts expressed in thousands):

Reserved For	General Fund	Special Revenue Funds	Debt Service Funds	Trust and Agency Funds	Enterprise Funds	University Funds
Bond Retirement	$	$	$	$	$ 939	$
Encumbrances	8,693	1,642				
Inventories	28,844	848				
Pension Benefits				3,001,720		
Long-term Portion of Loans and Notes Receivable	12,147	4,187	68,870	2,964		
Other				435,466		89,451
	$ 49,684	$ 6,677	$ 68,870	$3,440,150	$ 939	$ 89,451

Bond Retirement - Represents the portion of fund balance that is required to be used for debt retirement.

Encumbrances - Represents outstanding commitments at year end that will be liquidated in the lapse period.

Inventories - Represents the portion of fund balance which is comprised of inventories which are not available spendable resources. Inventory of food stamps are recorded as deferred revenue since the revenue recognition criteria has not been met.

Pension Benefits - Represents the portion of fund balance that will be used to provide future retirement benefits to members of the State Retirement System.

Other - Consists principally of health and insurance benefits, $14,973,012; unemployment compensation, $402,899,908; educational and vocational training, $17,592,594; and higher education activities and loans to students, $89,450,562.

Long-Term Portion of Receivables, Loans and Notes - The State has made loans and advanced funds under various programs that will be repaid over a number of years. Fund balance has been reserved in an amount equal to the balance of loans and advances receivable to indicate that they are not available resources for appropriation.

Unreserved, Designated Fund Balances - Designations of unreserved fund balances are established to reflect tentative plans for future utilization of current financial resources. Total Governmental Fund Designated Fund Balances (expressed in thousands) were as follows at June 30, 1987.

Designated For	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Debt Service	$ 199	$	$ 89,052	$
Capital Projects				21,376
Highway and Road Construction	131,083			
Other Specific Purposes	108,107	266		
	$239,389	$ 266	$ 89,052	$ 21,376

Debt Service - Amounts anticipated to pay future debt service requirement.

Capital Projects and Highway and Road Construction - Amounts anticipated to be utilized for the construction of state facilities, highways and roads.

Designated for other specific purposes - Designated for other specific purposes in special revenue funds are specified to be used for special education purposes. The State's fund balance designations reflect tentative plans for future use of financial resources. Special treasury funds classified as General GAAP Fund are shown in this designation as the funds are not available for appropriation by the State Legislature unless enabling legislation is approved. The fund balances of the general fund reserve, general fund stabilization reserve and working cash balance revolving fund are recorded in designated for other specific purposes.

The General Fund Stabilization Reserve - State law requires that there be maintained a fund, for the sole purpose of accumulating funds to cover any unforeseen deficits in the State general fund. If the State Fiscal Management Board determines, after the close of each fiscal year, that general fund revenues exceeded general fund expenditures determined on the budgetary basis, one-fourth of the excess is transferred into the General Fund Stabilization Reserve. Such transfers shall continue to be made, in succeeding fiscal years when excess revenues occur, until the accumulated total in this reserve equals five percent of general fund revenue for the latest fiscal year. Amounts used to alleviate State general fund deficits must be restored to the reserve out of future annual surpluses until the maximum (five percent) is again attained. In fiscal year 1987 there was not a transfer into the General Fund Stabilization Reserve for fiscal year 1986. The amount that will be transferred in fiscal year 1988 that relates to 1987 is $14,839,665, and the account balance at June 30, 1987 was $5,480,355, which is .36% of 1987 general treasury fund revenue.

The General Fund Reserve - State law requires the transfer of three-fourths of the excess State general fund revenues on a budgetary basis over general fund expenditures of any fiscal year, to be held for use by the State Legislature at its discretion and to provide State funds to pay warrants drawn for payments which are reimbursed by the federal government under the federal plan for a "delay-of-drawdown letter of credit". Such federal reimbursements are deposited into the General Fund Reserve upon receipt. During fiscal year 1987, there was no transfer into the General Fund Reserve for fiscal year 1986. The Legislature authorized the transfer of amounts needed to fully support fiscal year 1987 appropriations from the General Fund Reserve to the State general fund. The amount that will be transferred in fiscal 1988 that relates to 1987 is $44,518,996.

The Working Cash Balance Revolving Fund - State law created this fund to pay State obligations when there is insufficient cash from other general fund sources to pay such obligations as they become due. Sums used for such purposes must be reimbursed from general fund revenues collected during the then current fiscal year. This account, created in July, 1984, was funded by income tax revenues. Interest earned from the investment of amounts not required for current use is to be deposited into the Working Cash Balance Revolving Fund account until the balance in the account equals five percent of total general fund appropriations for the current fiscal year. The intent of the Legislature was for this account to have a balance of $31 million on the last day of any fiscal year unless the Legislature, by an affirmative vote of two-thirds of both Houses, authorizes an expenditure from the account. On June 30, 1987, the balance was $34,213,840 which is 2.26% of 1987 General Fund Appropriations. The balance in the Working Cash Balance Revolving Fund account is not to be considered as available funds in the process of adopting a balanced budget for any fiscal year.

O. **Federal Grants** - Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Uses of grant resources are conditioned upon compliance with terms of the grant agreements and applicable federal regulations which include subjecting grants to financial and compliance audits.

P. **Total (Memorandum Only) Columns** - "Total (Memorandum Only)" columns represent an aggregation of the combined financial statements of each fund type and account group. They are presented for information only and do not represent consolidated financial information. For comparative purposes, the 1986 fiscal year "Total (Memorandum Only)" columns are printed to the right of the 1987 fiscal year "Total (Memorandum Only)" columns.

NOTE 2—Budgetary Process, Control and Reconciliation to GAAP

Mississippi State law requires both the Governor and the Legislative Budget Office to prepare and submit to the Legislature at the beginning of each annual session an overall balanced budget for budgeted activities and functions in the ensuing fiscal year. The Legislature compares these budgets, makes any revisions it deems necessary or appropriate, and legally enacts an annual State budget through passage of specific departmental appropriation bills by activity or function and major expenditure classification, the sum of which should not exceed estimated amounts available and projected revenues for those activities and functions. The Governor has the power to approve or veto each line item appropriation; however, vetoes are subject to Legislative override.

The State has established two budgetary fund groups to account for its budgetary activities and functions:

General - funds established to receive and distribute general tax revenues and other general revenues and interest generated thereon.

Special - funds established to receive federal grants, fees, proceeds from the sale of goods and services, taxes levied for specific purposes and interest generated thereon, and to support the functional activities of the agencies that generate such revenues.

The budget covers most governmental funds included in the State reporting entity but excludes certain distributive funds, debt service funds, endowment funds, research funds from other than State appropriations, and private gifts to designated agencies or for designated purposes which are not subject to appropriation pursuant to State law. Certain funds recommended by the State Fiscal Management Board as not being subject to appropriation are also excluded. Certain accounts held outside the Treasury are similarly not budgeted. The budget does include certain proprietary funds and certain administrative costs of operating the Public Employees' Retirement System.

The State Fiscal Management Board monitors the agencies' budget compliance through an allotment process. For the general fund, the allotments are established at or below the level of appropriation for each budgetary activity or function. For the special fund, allotments may be established in excess of the original appropriation if revenues from federal funding sources exceed original estimates. To provide sufficient funding for several programs supported by general fund appropriations during the fiscal year, supplemental appropriations of $28,661,657 were approved by the Legislature. Budget allotments were increased to reflect these supplemental appropriations.

In both the general and special funds the appropriations for certain capital expenditures are set at the level necessary to complete the project over several years. The allotments for these funds are set at the level of actual expenditures for the year, with the expectation that the remaining appropriation will be reapportioned for the following year. The final legally adopted budget in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Basis - All Budgetary Funds represents the final allotment for each budgeted fund with the exception that the capital projects, budgeted for several years, are excluded. The performance of the capital projects funds for the year ended June 30, 1987 is summarized below (amounts expressed in thousands):

Capital Project	General Fund	Special Fund
Appropriations	$ 13,086	$ 46,787
Actual Expenditures	$ 9,809	$ 21,719
Amounts Reappropriated in FY 88	$ 3,043	$ 25,501

If, at the end of October or any month thereafter of any fiscal year, general fund revenues collected for the fiscal year fall below 98% of the estimate adopted by the Legislative Budget Office at the date of sine die adjournment, the State Fiscal Management Board is required by statute to reduce allotments of appropriations to general fund agencies by the amount necessary to keep expenditures within the actual general fund receipts for the fiscal year. No agency's allotment may be reduced by more than 5% unless allotments to all general fund agencies have been reduced by 5%. Any required reductions in excess of 5% must consist of a uniform percentage reduction to all general fund agencies. Reduced allotments may be restored if revenue collections exceed revised estimates. For the year ended June 30, 1987, no general fund appropriation allotment was reduced.

State agencies are responsible for exercising budgetary control and ensuring that allotments are not overspent, subject to Fiscal Management Board review. The level of budgetary control is at the agency level by activity or function as well as by major expenditure classification (i.e., personal services, contractual services, commodities) if a major expenditure budget was established by approved appropriation bills. For those appropriations that are not delineated as to major expenditure classification, the lowest level of budgetary control is activity or function. Agencies are authorized to transfer appropriated amounts between major expenditure classifications within certain limitations, except that the amount budgeted for salaries cannot be changed and the amount budgeted for capital outlay - equipment cannot be increased. In addition, special fund expenditures cannot exceed the amount of cash in the fund at any time.

Budgeted general fund revenues, in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds represent the general fund revenue estimate adopted by the Legislative Budget Office at the date of sine die adjournment. Special fund revenue estimates include anticipated revenues during the year and the amount of beginning cash balances on hand at the beginning of the year which are anticipated to be expended for special fund purposes.

Because of the complexity of the State's budget, a separate report, the State of Mississippi 1987 Annual Report of Budgetary Basis Expenditures, has been prepared to present a budget to actual comparison for each budgetary fund. A major expenditure classification for a specific activity or function may be budgeted from both general and special funds. Therefore, this separate budgetary report, available at the Fiscal Management Board, presents budgetary comparisons by source of funds (general or special) as well as major expenditures, in total.

The accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds presents information for those funds for which a legally adopted annual budget was prepared. Therefore, the following analysis has been prepared to summarize the cash balances on a budgetary basis for all funds, considering non-appropriated funds and those funds appropriated on a multiple year basis (capital project funds) as of June 30, 1987 (amounts expressed in thousands):

	General Fund	Special Fund
Budgetary Fund Balances for Appropriated Funds as of June 30, 1987	$125,454,740	$149,404,667
Add:		
Cash Balances of Non-appropriated Special Funds		19,001,303
Cash Balances of Capital Project Funds		20,011,445
Less:		
Capital Project Expenditures Financed by General Fund	(9,808,828)	
Net Change in Investments		(28,040,948)
Cash Balance - All Funds	$115,645,912	$160,376,467

The Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (see Note 1E), a reconciliation of resulting basis, timing, perspective and entity differences in the excess of revenues over (under) expenditures/expenses and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 1987 is presented on the following page (amounts expressed in thousands):

	Budgetary Funds		Financial Statement Fund Types	
	General	Special	General	Special Revenue
Excess of Revenues Over Expenditures and Other Financing Sources (Uses) - Budgetary Funds Budgetary Method	$ 73,664	$ 29,590	$	$
Entity and perspective differences				
Reclassification of budgetary funds to GAAP financial statement fund types	(73,664)	(27,739)	54,227	47,263
Elimination of Budgetary Funds that are GAAP agency funds		(1,851)		
Add non-budgeted funds			124,291	(10,057)
Basis Differences:				
Net accrued revenues, related receivables and deferred revenues			207,363	(4,021)
Net accrued expenditures/expenses and related liabilities			(315,498)	(12,818)
Timing Differences:				
Lapse period expenditures which were not treated as liabilities			9,000	39
Excess of revenues over expenditures and other financing sources (uses) - GAAP fund types - GAAP basis	$	$	$ 79,383	$ 20,406

NOTE 3—Other Accounting Disclosures

A. **Adjustments to Fund Equity** - During the fiscal year ended June 30, 1987, certain changes have been made to the financial statements to better conform with the governmental model. These changes generally are to reclassify individual funds between fund types, to record loans receivable and to change accounting estimations caused by improved estimation procedures. The 1986 comparative figures reflect these changes.

The following schedule details the restatement made to Fund Equity as of June 30, 1986 to give retroactive effect to these changes:

	Fund Type			General Fixed Assets Account Group
	Special Revenue	Debt Service	Enterprise	
Fund balance/retained earnings June 30, 1986 as previously reported	$64,761,689	$ 173,801,634	$ 120,980,138	$680,710,372
Reclassifications of individual funds between fund types	151,596		(189,523)	322,941
Reclassification of individual funds as agency funds		(73,866)		
Reclassification from retained earnings to contributed capital			(41,328,440)	
To record loans receivable at Federal-State programs	3,850,645			
To record effect of changes in accounting for accruing interest revenues		(1,101,578)	(1,302,000)	
To record effect of changes in accounting for loan guarantee fees			(70,677)	
To reflect changes in fiscal years of component unit to include period ending June 30, 1986			126,050	
Fund Balance/Retained Earnings June 30, 1986, as Restated	$68,763,930	$ 172,626,190	$ 78,215,548	$681,033,313

The retained earnings of Veterans' Home Purchase Board and Water Pollution Abatement Revolving Fund have been decreased by $9,600,000 and $31,728,440, respectively. Contributed capital for these funds was increased by like amounts. The change was made to reflect "start up" contributions from the general fund when the enterprise funds were organized.

Debt Service	Capital Projects	Enterprise	Internal Service	Fiduciary	University
$	$	$	$	$	$
		2,836	2,314	(104)	(5,133)
(14,704)	(856)	(10,675)		406,925	239,253
		9,380	636	40	212,923
		12,437	(858)	1,980	(409,688)
		893	74		
$ (14,704)	$ (856)	$ 14,871	$ 2,166	$ 408,841	$ 37,355

B. **Individual Fund Deficits** - The Department of Rehabilitation Services Disability Determination Services Fund and the General Services Land Leasing Fund (reported as a special revenue fund) had deficit balances of $167,610 and $216,822, respectively. The deficit of the General Services Land Leasing fund is the result of the recognition of allowances for uncollectible accounts. The deficit of the Disability Determination Fund is the result of recognition of fund liabilities in excess of accrued revenues.

C. **Residual Equity Transfers** - for the year ending June 30, 1987 were as follows:

From Fund Type	
Special Revenue	$ 1,866,992
Enterprise	335,014
Total	2,202,006
To Fund Type	
General	1,916,992
Net	$ 285,014

The net change above, as reflected in the accompanying financial statements is composed of enterprise fixed assets transferred to general fixed assets in the amount of $285,014.

NOTE 4—Equity in State Treasurer Cash and Short-term Investment Pool, Cash, Investments and Obligations under Repurchase Agreements

The State Treasurer maintains a cash and short-term investment pool that is used by all State general and special treasury funds and for investments of certain other state agencies. In addition, the Public Employees' Retirement System, the Mississippi Housing Finance Corporation (MHFC) and a small number of other State agencies carry out investment activities separate from the State Treasurer.

Deposits and investments of the State are summarized as follows:

Deposits (Cash and Certificates of Deposit)

The carrying amount of the State's total cash deposits as of June 30, 1987 was $760,014,042 and the corresponding bank balances which are represented by collected funds were $791,846,727. The portion of such bank balances covered by federal depository insurance or by collateral held by a custodial institution in the name of the State was $107,624,598. $619,197,572 was collateralized with securities held by a pledging financial institution's trust department or agent in the State's name. $65,024,557 was uninsured and uncollateralized. The university funds had $26 million, the State Treasurer $22 million and other agencies $17 million of uninsured deposits. Because of cash flow patterns concerning medicaid and certain state tax collections, there are certain days each month where bank balances of these accounts exceed pledged securities; however, these bank balances are generally uncollected funds.

The carrying amount of cash deposits of the State Treasurer as of June 30, 1987 was $600,040,851. State statutes require that depository banks maintain on deposit with the State Treasurer, pledged securities equal to 100% of deposits in excess of amounts covered by federal depository insurance. To encourage investment in State securities, codified State policy permits collateralization using State securities at market or par value whichever is greater. Zero coupon State securities accounted for approximately $13 million of the State Treasurer's uninsured deposits on June 30, 1987. The balance of the Treasurer's uninsured deposits of approximately $9 million resulted from market value declines of State and other securities. The State Treasurer's office does not have access to market quotes and therefore, does not have procedures to effectively monitor the acceptance of collateral based on market value rather than par value.

Investments

Short-term investments are generally managed and accounted for by the Public Employees' Retirement System and the State Treasurer. Long-term investments are generally managed and accounted for by the Public Employees' Retirement System and the Mississippi Housing Finance Corporation. A discussion of statutory authority for these investments follows:

State Treasurer - The State Treasurer is authorized to invest in Certificates of Deposits which are reflected as deposits and Repurchase Agreements of all qualified state depository banks. Banks domiciled in Mississippi may apply to the State Depository Commission and when approved must maintain on deposit with the State Treasurer qualifying securities at least equal to 100% of the amount of funds in excess of $100,000.

Public Employees' Retirement System (PERS) - PERS is authorized to invest in the following:

Bonds, notes, certificates, and other valid general obligations of the State of Mississippi, or of any county, or of any city, or of any supervisor's district of any county of the State of Mississippi;

School district bonds of the State of Mississippi;

Notes or certificates of indebtedness issued by the Veterans' Home Purchase Board of Mississippi;

Highway bonds of the State of Mississippi;

Corporate bonds of Grade A or better as rated by Standard and Poor's or by Moody's Investment Service;

Short-term obligations of corporations, or of wholly-owned subsidiaries of corporations, whose short-term obligations are rated A-1 or better by Standard and Poor's or rated P-1 or better by Moody's Investment Service;

Bonds of the Tennessee Valley Authority;

Bonds, notes, certificates, and other valid obligations of the United States, and other valid obligations of any federal instrumentality that issues securities under authority of an act of Congress and are exempt from registration with the Securities and Exchange Commission;

Bonds, notes, debentures, and other securities issued by any federal instrumentality and fully guaranteed by the United States;

Interest bearing bonds or notes which are general obligations of any other state in the United States or any city or county therein, provided such city or county had a population as shown by the federal census next preceding such investment of not less than twenty-five thousand (25,000) inhabitants, and provided that such state, city, or county has not defaulted for a period longer than thirty (30) days in the payment of principal or interest on any of its general obligation indebtedness during a period of ten (10) calendar years immediately preceding such investment;

Shares of stock, common and/or preferred, of corporations created by or existing under the laws of the United States or any state, district or territory thereof.

PERS is also authorized by its Board of Trustees to operate a securities lending program (Reverse Repurchase Agreement). This program is designed to produce supplemental income to the PERS fund with little or no additional risk. All securities in the PERS fund are available for loan to pre-approved securities dealers. In order to be approved, the securities dealers must meet the following criteria:

(a) They must meet the minimum net capital requirements and the aggregate indebtedness limitations that are imposed upon members of the New York Stock Exchange;

(b) They must have signed a Securities Lending Agreement with PERS.

Reverse repurchase agreements are a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The cash received on repurchase agreements normally exceeds the market value of securities underlying the reverse repurchase agreements, providing the System a margin against an increase in the market value of the securities. If the dealers default on their obligations to resell these securities to PERS or provide securities or cash of equal value, PERS would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. At June 30, 1987, the market value of the agreement obligation, including accrued interest, was greater than the market value plus accrued interest of the underlying securities; therefore, PERS had no credit exposure as of the date of the financial statement.

All of the investment assets of Mississippi Highway Safety Patrol Retirement System (MHSPRS) are combined with those of PERS and invested in two investment pools. One pool contains all bonds and related investments. The other contains all common stock and related investments. The pools are accounted for as part of the PERS Pension Trust Fund. MHSPRS has equity in the PERS fund based upon funds contributed and earnings allocated. Individual investments in the PERS Pension Trust Fund are not specifically allocated to MHSPRS.

All PERS investments are held by the System's custodial bank or by third party banks in the System's name.

Mississippi Housing Finance Corporation - The Corporation is authorized to invest in obligations of any municipality, the State of Mississippi or the United States; in obligations the principal and interest of which are guaranteed by the State or the United States; in obligations of any corporation wholly owned by the United States; in obligations of any corporation sponsored by the United States; in certificates of deposit or time deposits of depositories approved by the State Depository Commission; in money market funds and repurchase agreements whose underlying securities are authorized investments of the corporation.

As discussed in Note 1, the Mississippi Housing Finance Corporation (MHFC) fiscal year ends on August 31, and consequently 1986 MHFC financial statements are included in the accompanying June 30, 1987 financial statements. The investment disclosures in this note were not required at August 31, 1986 and, accordingly, collateral disclosures are not included.

The following table presents the carrying and market value of investments by type and categorizes the carrying amounts as follows: category 1 are those which are insured or registered, or held by the State or its agent in the State's name; category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name; and category 3 are those which are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the State's name. Investments not categorized include MHFC as noted in the above paragraph and universities endowment funds totaling $6,460,000 which are in control of a third party. At June 30, 1987, the State's investments consisted of (amounts expressed in thousands):

	State Treasurer	Public Employees' Retirement System	MHFC	Other
Investments				
Short-term securities:				
Commercial paper	$	$ 171,306	$	$
Repurchase agreements	77,000	92,799		76,696
U.S. Government securities and agencies		19,409		24,448
U.S. Government securities and agencies - long-term		1,563,844	35,018	52,863
Investment agreements with commercial banks			254,355	
Corporate bonds		387,225		1,857
Corporate equities		668,872		796
	77,000	2,903,455	289,373	156,660
Collateral held under reverse repurchase agreements:				
U.S. Government securities and agencies		213,232		
Repurchase agreements		449,276		
Deferred compensation plan:				
Short term securities:				
Commercial paper				338
U.S. Government securities and agencies - long term				19,611
Corporate bonds				2,093
Corporate equities				1,922
Fixed and variable investments				62,012
Life insurance contracts				1,085
Total investments	$ 77,000	$ 3,565,963	$ 289,373	$ 243,721

Statutes require that securities underlying repurchase agreements must have a market value of at least 100 percent of the cost of the repurchase agreement.

In addition to the deposits and investments described above, the State has approximately $358,973,618 on deposit with the United States Government. These funds represent unemployment insurance taxes collected from Mississippi state employers which are held by the U.S. Treasury.

NOTE 5—Taxes Receivable

Taxes receivable as of June 30, 1987 consisted of the following (amounts expressed in thousands):

	Fund Types		
	General	Expendable Trust	Total
Sales	$ 94,165	$	$ 94,165
Income	36,528		36,528
Gasoline	14,522		14,522
Insurance premium	10,700		10,700
Unemployment compensation		24,281	24,281
Other	16,427		16,427
Total Taxes Receivable	$ 172,342	$ 24,281	$ 196,623

		Category		
Carrying Value	Market Value	1	2	3
$ 171,306	$ 171,306	$ 171,306	$	$
246,495	246,495	145,461	10,302	90,732
43,857	44,036	19,409	17,988	
1,651,725	1,636,679	1,563,844	52,863	
254,355	254,355			
389,082	365,951	387,225	1,857	
669,668	896,804	668,872	796	
3,426,488	3,615,626	2,956,117	$ 83,806	$ 90,732
213,232	226,516			
449,276	449,276			
338	338	338		
19,611	19,611	19,611		
2,093	2,093	2,093		
1,922	1,922	1,922		
62,012	62,012			
1,085	1,085			
$ 4,176,057	$ 4,378,479	$ 2,980,081		

NOTE 6—Interfund Receivables/Payables

Interfund receivables and interfund payables consisted of the following at June 30, 1987 (amounts expressed in thousands):

Fund Type/Fund	Interfund Receivables		Interfund Payables	
General	$	$ 7,805	$	$ 12,962
Special Revenue:				
Telecommunications	586			
Federal-State Programs	834		6,212	
Emergency Management			47	
Land Leasing			283	
Education			1	
Vocational Rehabilitation for the Blind	74			
Rehabilitation Services	186		94	
Disability Determination			47	
Alcohol and Drug Abuse Program	196		229	
Social Services			1	
Employment Services	2,008		1,114	
Community Services			2	
Facility Maintenance and Operation			11	
Camp Shelby Base Operation			27	
Military Department Equipment Pool			3	
Air National Guard Training Site Operation			5	
Rice Promotion	1			
Soybean Promotion	17			
Oil and Gas Board			4	
Museum of Natural Science	35		20	
Bureau of Fisheries and Wildlife	4		271	
Wildlife Conservation Administrative			11	
Bureau of Marine Resources	50		19	
Public Service Commission	98		2,523	
Workers' Compensation Commission			9	
Bank Supervision Administrative			3	
Consumer Finance			1	
Other Regulatory Agencies			8	
Aeronautics Commission	17			
Energy and Transportation	46		135	
Railroad Loan	7		46	
Other			6	
		4,159		11,132
Debt Service:				
Highway Revenue Refunding Bond Retirement & Interest	3,423		278	
Fire Academy Bond Retirement & Interest	194			
		3,617		278
Capital Projects:				
Bureau of Buildings Construction and Improvement		1,437		
Enterprise:				
Certified Development Company, Inc.	22			
Fair Commission and Coliseum			133	
Veterans' Memorial Stadium Commission	505		1	
Mississippi Industries for the Blind	5		8	
Division of Lime			98	
Farmers Central Market Board			25	
Prison Industries	74		4	
Commissary	2		3	
Bureau of Surplus Property	1		2	
Allied Enterprises	38		21	
		647		295
Internal Service:				
Personnel Administration	8			
Data Processing Services	576		224	
Central Data Processing Authority Planning and Policy	261		1	
Telecommunications	407			
		1,252		225
Trust and Agency:				
Expendable Trust:				
Group Insurance	1,777			
State Employees' Unemployment Insurance	529		301	
Unemployment Compensation	369		63	
	2,675		364	
Nonexpendable Trust:				
Oil and Gas Taxes on State-owned Land	3		117	
Pension Trust:				
Public Employees' Retirement System			75,765	
Highway Safety Patrol Retirement System	75,211			
	75,211		75,765	

Fund Type/Fund	Interfund Receivables		Interfund Payables	
Agency:				
Social Security	$ 554	$	$	$
Local Government Distributive			101	
Program	662		117	
Institutional			85	
	1,216	79,105	303	76,549
University:				
Current Funds:				
Unrestricted	16,450		9,178	
Restricted	1,076		5,195	
Fiduciary Funds:				
Loan	73		41	
Endowment			1	
Agency	547		312	
		18,146		14,727
		$ 116,168		$ 116,168

NOTE 7—Loans and Notes Receivable

Loans and notes receivable, net of allowances of $8,064,935 for uncollectible accounts at June 30, 1987, consisted of the following (amounts expressed in thousands):

	Fund Types					
	General Fund	Special Revenue	Debt Service	Enterprise	University	Total
Mortgage loans (a)	$	$	$	$ 508,977	$	$ 508,977
Hospital equipment loans				23,746		23,746
Economic development loans				105		105
Railroad revitalization loans		1,081				1,081
Student loan program (b)					38,875	38,875
Ingalls Shipbuilding Corporation loan receivable (c)			68,870			68,870
Mississippi Business Act notes receivable (d)	7,636					7,636
Other loans receivable (e)		5,802		188		5,990
Total Loans and Notes Receivable	$ 7,636	$ 6,883	$ 68,870	(f) $ 533,016	$ 38,875	$ 655,280

(a) Mortgage loans receivable of $459,882,871 represent monies provided by the Mississippi Housing Finance Corporation to finance residential housing for persons of low and moderate income in the State. Proceeds of principal and interest on these loans are pledged to meet the debt service requirements of the Corporation's revenue bonds (see Note 12). Veterans' Home Purchase Board's mortgage loans receivable of $49,094,536 represent loans to eligible Mississippi veterans primarily for the purchase of residential housing.

(b) Student loans are made pursuant to student loan programs funded by the U.S. Government.

(c) In fiscal year 1967 the State sold general obligation bonds of $130 million to build and equip a shipyard and shipbuilding facilities for use by Ingalls Shipbuilding Corporation to further the economic growth of the State. Ingalls agreed to repay the loan over 40 years in amounts sufficient to pay maturing bond principal and interest.

(d) In fiscal year 1986 the State issued Mississippi Business Investment Act Notes, which were refunded by General Obligation Bonds subsequent to the date of the financial statements. The purpose of the notes and subsequent bonds is, in part, to provide interest free loans to Mississippi local governments for economic development.

(e) Federal-State Program Fund loans are due from other governments. The enterprise loan is due from a vendor.

(f) Total enterprise fund type loans and notes receivable include $21,917,910 of current loans receivable reflected in current receivables on the Combined Balance Sheet.

NOTE 8—Property, Plant and Equipment

Property, plant and equipment, net of accumulated depreciation where applicable, at June 30, 1987, consisted of the following (amounts expressed in thousands):

	General Fixed Assets Account Group	Fund Types			
		Enterprise	Internal Service	Trust	University
Land	$ 46,008	$ 2,212	$	$ 508	$ 14,355
Buildings	325,799	28,681		3,543	468,562
Improvements other than buildings	39,545	22,316		126	29,058
Machinery and equipment	289,297	9,848	12,424	896	238,941
Construction in progress	16,387	3,795			18,781
Total fixed assets	717,036	66,852	12,424	5,073	769,697
Accumulated depreciation where applicable		32,768	5,719	499	
Property, plant & equipment, net of depreciation	$ 717,036	$ 34,084	$ 6,705	$ 4,574	$ 769,697

Changes in general fixed assets by major asset classification for the year ended June 30, 1987 are presented below (amounts expressed in thousands):

	Balance July 1, 1986	Transfers In/ Additions	Transfers out/ Deletions	Balance June 30, 1987
Land	$ 46,006	$ 38	$ 36	$ 46,008
Buildings	288,947	39,201	2,349	325,799
Improvements other than buildings	36,190	3,369	14	39,545
Machinery and equipment	274,113	30,015	14,831	289,297
Construction in progress	35,777	20,524	39,914	16,387
	$ 681,033	$ 93,147	$ 57,144	$ 717,036

Construction in progress included in the General Fixed Assets Account Group is composed primarily of renovation of the Robert E. Lee Building, Department of Corrections facility expansion, improvements at several retardation centers and construction of the Veterans' Nursing Home.

NOTE 9—Debt Service Requirements to Maturity, Debt Authorization, Limitations, and Authorized but Unissued Debt

The annual requirements to amortize all debt outstanding as of June 30, 1987 including interest of $1,801,969,588 are as follows (expressed in thousands):

Fiscal Year	State Revenues	Revenue Pledges	Enterprise Funds	University Funds	Total
1988	$ 18,867	$ 34,726	$ 90,629	$ 8,473	$ 152,695
1989	15,017	34,360	84,536	5,765	139,678
1990	13,464	34,227	89,906	5,073	142,670
1991	11,732	45,948	88,827	4,061	150,568
1992	10,773	54,969	83,299	3,209	152,250
Thereafter	43,553	429,524	1,847,187	27,818	2,348,082
Total	$ 113,406	$ 633,754	$ 2,284,384	$ 54,399	$ 3,085,943

The above requirements are categorized by revenue sources which will be used to repay the long-term debt. The requirements to repay notes amounting to $11,669,000 are not included in the above requirements to amortize debt as bonds were issued subsequent to year end to refinance these notes.

Bond indebtedness incurred by the State of Mississippi must be authorized by legislation governing the specific programs or projects to be financed. Such legislation provides the State Bond Commission authority to approve and authorize the sale and issuance of bonds. The State Bond Commission is comprised of the Governor as chairman, the State Attorney General as secretary, and the State Treasurer.

The State's constitutional debt limit is established under Section 115 of the Mississippi Constitution which provides:

"Neither the State nor any of its direct agencies, excluding the political subdivisions and other local districts, shall incur a bonded indebtedness in excess of one and one-half (1 1/2) times the sum of all the revenue collected by it for all purposes during any one of the preceding four fiscal years, whichever may be higher."

As of June 30, 1987 the constitutional debt limitation was $3,324,887,000.

Current practice restricts revenues included in the foregoing debt limitation computation to the following governmental fund revenues: taxes, licenses, fees and permits, investment income, rental income, service charges including net income from the Alcoholic Beverage Control Division, fines, forfeits and penalties.

Approximately $211 million of authorized but unissued bond indebtedness existed at June 30, 1987, to be used for various purposes as described below (amounts expressed in thousands):

Purpose	Authorized Debt	Authorized But Unissued
Port improvement (Gulfport)	$ 40,000	$ 11,604
Public school construction	100,000	40,590
Business investment	50,000	47,800
Fire Academy construction	2,500	300
Mortgage loans to veterans	20,000	20,000
Home Port Causeway Issue	12,000	12,000
Correctional Facilities	56,650	56,650
State Fair	4,000	2,158
Farm Reform	10,000	10,000
Institute of Technology Development	10,000	10,000
	$ 305,150	$ 211,102

Additional revenues are not anticipated if any of the bonds authorized and unissued are issued.

NOTE 10—General Obligation Notes and Bonds

General obligation bonds are authorized and issued primarily to provide funds for constructing and improving State-owned facilities, including ports, stadium facilities, university facilities, public schools, parks, bridges and roads. General obligation bonds have also been issued to purchase land for wildlife conservation.

General obligation notes are backed by the full faith, credit and taxing power of the State. Under a line of credit the State borrowed $500,000 on March 2, 1987 to show commitment to the federal government for U. S. Naval Home Port. This line of credit was repaid when the Home Port bonds were issued July 1, 1987, in part, to refinance the note. Mississippi Business Investment Act Notes, amounting to $11.2 million, were issued August 28, 1986 pursuant to legislation enacted on March 31, 1986. The legislation also authorized the issuance of general obligation bonds which were issued August 1, 1987, in part, to refinance the notes. Since the legal steps necessary to refinance the notes were previously enacted by the Legislature and the notes were refinanced after the financial statement date, the notes are considered long-term and are included in the General Long-term Obligation Account Group.

General obligation bonds are backed by the full faith, credit and taxing power of the State. Although certain general obligation debt is being retired from the resources of the enterprise funds and is therefore recorded in these funds, the State remains contingently liable for its payment. General obligation debt, which was issued to finance the construction and equipping of educational buildings and other facilities for universities and is not secured by a pledge of revenues from the related facilities, is a direct obligation of the State and is reported in the General Long-term Obligations Account Group. Other general obligation debt of the university funds, which is being retired from pledged resources of those funds, is reported as a liability of the university funds although the State remains contingently liable for its retirement.

Port development (Litton) bonds are payable from revenues derived from a loan to Ingalls Shipbuilding Corporation, a wholly-owned subsidiary of Litton Industries, Inc. During fiscal year 1987, Litton Industries, Inc. prepaid loan payments and the State used those prepayments to purchase $8,495,000 of port development bonds at a discount of $507,225. The $68,870,000 port development bonds outstanding at June 30, 1987 are 5% term bonds, maturing December 1, 1997. The bond resolution requires annual deposits of payments from Litton to a sinking fund for the retirement of such bonds and the payment of semiannual interest. The obligation of Ingalls to make payments is unconditional so long as the bonds are outstanding and is guaranteed by Litton Industries, Inc. These bonds are also backed by the full faith and credit of the State.

The State's outstanding general obligation bonds and notes at June 30, 1987 were as follows (amounts expressed in thousands):

Purpose	Amount Outstanding	Interest Rates	Final Maturity Date
Enterprise Funds:			
Port improvement (Gulfport)	$ 18,572	1% - 10%	5/04
Port improvement (Yellow Creek)	485	4.7%	2/91
Stadium expansion	2,630	6.3% - 6.8%	12/99
	21,687		
University Funds:			
University building	11,969	3.3% - 6%	4/99
General Long-term Obligations Account Group:			
Public school construction	59,410	4.5% - 7.25%	9/99
Mississippi Technology Transfer Center	2,200	4.0% - 6.75%	12/91
State park improvement	8,335	4.5% - 8%	7/00
Wildlife conservation	5,350	4.7% - 5.1%	9/91
Pearl River Bridge construction	132	4.5%	12/87
Port development (Litton)	68,870	5%	12/97
Road construction, State aid	39,410	4.3% - 12%	9/00
University building	9,328	3.4% - 6.9%	9/92
General Obligation Bonds	193,035		
General Obligation Notes	11,669		
General Obligation Notes and Bonds	$ 238,360		

Future general obligation debt service requirements at June 30, 1987 are as follows (amounts expressed in thousands):

Year Ending June 30	Principal	Interest	Total
1988	$ 18,886	$ 12,367	$ 31,253
1989	16,216	11,344	27,560
1990	15,968	10,440	26,408
1991	14,491	9,540	24,031
1992	14,531	8,708	23,239
Thereafter	146,599	36,681	183,280
	$ 226,691	$ 89,080	$ 315,771

The general obligation bonds outstanding at June 30, 1987 include variable rate university building bonds of $2 million for which accurate future interest payments cannot be determined and, therefore, are not included in the above interest and total amounts.

Subsequent to year end:

- The State entered into an agreement on July 1, 1987 to issue $12 million of Home Port Causeway General Obligation Bonds and $10 million of General Obligation School Bonds. The Home Port Causeway Bonds mature serially through 2007 at interest rates ranging from 6.3% to 7.5%. The School Bonds mature serially through 1997 at interest rates ranging from 5.7% to 6.75%.
- The State entered into an agreement on August 1, 1987 to issue $35.1 million of Mississippi Business Investment Act General Obligation Bonds. The bonds mature serially through 2007 at interest rates ranging from 5.5% to 11%.
- The State entered into an agreement on August 1, 1987 to issue $56.7 million of Correctional Facilities General Obligation Bonds. The bonds mature serially through 2007 at interest rates ranging from 6.2% to 7.4%.

Changes in general obligation notes and bonds during the year ended June 30, 1987 are summarized in Note 14.

Note 11—Limited Obligation Bonds

Limited obligation bonds are payable exclusively from specific pledged General Fund revenues. Such bonds are not secured by the full faith, credit and taxing power of the State, and the holders of such bonds are not entitled to look to other State resources for payment.

The outstanding limited obligation bonds at June 30, 1987, including accrued interest on appreciation bonds aggregating $4,739,755, consisted of the following (amounts expressed in thousands):

	Amount Outstanding	Interest Rates	Final Maturity Date
Highway Refunding Bonds: (1)			
Serial bonds	$ 145,770	6% - 8.9%	2/98
Appreciation serial bonds	15,745	7.75% - 9.1%	8/98
Appreciation term bonds	3,536	9.875%	8/05
Term bonds	25,000	6.5%	8/05
Appreciation term bonds	13,659	10.25%	2/08
	203,710		
Fire Academy Bonds (2)	1,890	5.4% - 6.5%	10/90
Seed Testing Laboratory Bonds (3)	20	4.9% - 5.0%	1/88
Office Facility Bonds (4)	2,485	5.5% - 7.7%	11/93
	$ 208,105		

1. Highway Revenue Refunding Bonds - Series 1985 - (hereinafter referred to as the Series 1985 Bonds) were issued in September and October, 1985 for the purpose of refunding the State's outstanding $443,240,000 General Obligation Highway Refunding Bonds - 1978 Series and $11,550,000 General Obligation Highway Bonds - 1978 Series A, which constituted all of the then outstanding highway bonds of the State.

   The Series 1985 Bonds are payable solely from gross gasoline tax revenues and other sources pledged to their payment. The other pledged sources are: (a) proceeds from privilege tax collected in any year, net of certain administrative fees, in excess of $3.7 million; (b) proceeds derived from the issuance of fuel identification decals; (c) 15% of tobacco tax revenues collected in the previous month, not to exceed $5 million in any fiscal year; and (d) cash and investments in accounts established by the Highway Bond Resolution adopted on September 19, 1985. The Series 1985 Bonds are fully and unconditionally insured.

   The serial bonds and the appreciation serial bonds are not subject to redemption prior to maturity.

   The 6.50% term bonds, maturing in 2005, are redeemable at the option of the State on or after August 1, 1998 in whole or in part at a redemption price of 100% of the principal amount so redeemed, plus accrued interest to the date of redemption.

   The appreciation term bonds maturing on or after August 1, 2005 are redeemable in whole or in part at the option of the State on or after February 1, 2000 at a redemption price ranging from 105% of the accreted value of such bonds at the date of redemption in 2000, gradually decreasing to 100% of the accreted value of bonds redeemed February 1, 2005 and thereafter.

   The serial bonds and appreciation serial bonds mature semiannually on February 1 and August 1 through 1998. Interest on the serial bonds is compounded semiannually and payable only at maturity or redemption. The appreciation term bonds will accrete in value to yield at maturity $5,000 per original investment of $742 and $539 for those bonds maturing in 2005 and 2008, respectively. The appreciation serial bonds will accrete in value to yield at maturity $5,000 per original investment ranging from $1,602 for bonds maturing on August 1, 1998 to $3,474 for bonds maturing on August 1, 1990.

2. Fire Academy Bonds - Bonds in the aggregate principal amount of $2,200,000 were issued in June, 1986 to defray expenses of capital improvements at the State Fire Academy. Principal and interest are payable solely from the additional premium tax (one-half of one percent) on multi-peril insurance assessed to provide funds for such payments.

   Fire Academy Bonds are subject to redemption prior to their respective maturities, either in whole or in part, and if in part in inverse order of maturity, at the option of the State Treasurer on any interest payment date of April 1 and October 1, 1987 - 1990, at the principal amount thereof together with accrued interest to the date fixed for redemption.

3. Seed Testing Laboratory Bonds - Bonds were issued in 1978 to finance construction of an addition to the building housing the State Department of Agriculture's Seed Testing Laboratory and Division of Plant Industry. Principal and interest on these bonds are payable solely from fees derived from services administered by those divisions of the State Department of Agriculture which are housed within the structure financed by the bond issue.

4. Office Facilities Bonds - Bonds in the aggregate principal amount of $2,485,000 were issued on November 11, 1986 to construct and rent office facilities. Principal and interest are payable from the rental of the office building and seizure of money by the Bureau of Narcotics.

Future limited obligation debt service requirements at June 30, 1987 are as follows (amounts expressed in thousands):

Year Ending June 30	Principal	Interest	Total
1988	$ 7,225	$ 13,359	$ 20,584
1989	7,665	12,890	20,555
1990	8,160	12,358	20,518
1991	20,099	12,785	32,884
1992	30,974	11,221	42,195
Thereafter	129,242	160,555	289,797
	$ 203,365	$ 223,168	$ 426,533

Changes in limited obligation bonds during the year ended June 30, 1987 are summarized in Note 14.

Note 12—Revenue Bonds and Notes

Revenue bonds and notes are backed by a pledge of resources derived from users of the related facilities and are not supported by the full faith and credit of the State.

Revenue bonds and notes outstanding, net of unamortized discounts at June 30, 1987 were as follows (amounts expressed in thousands):

Fund Type/Agency	Amount Outstanding	Interest Rates	Final Maturity Date
Enterprise:			
Mississippi Fair Commission	$ 1,842	5% - 9.45%	12/05
Mississippi Housing Finance Corporation	715,326	6.5% - 12.125%	9/16
Mississippi Hospital Equipment Financing Authority	91,770	6.5% - 8.25%	4/90
	808,938		
University:			
Alcorn State University	565	2.875% - 3.5%	11/02
Jackson State University	5,291	2.875% - 12.5%	12/20
Mississippi State University	15,047	2.75% - 11.0%	12/20
Mississippi Valley State University	895	3% - 3.5%	7/08
Mississippi University for Women	335	7.12%	7/90
University of Mississippi	5,847	2.75% - 10.0%	7/08
University Medical Center	735	6%	6/92
University of Southern Mississippi	2,686	3.0% - 10.25%	6/00
	31,401		
	$ 840,339		

In compliance with Section 69-5-11, Mississippi Code Ann. (1972), the Fair Commission has established restricted accounts in the aggregate of $1,032,741 for the payments of debt service related to the revenue bonds. Assets consisting of cash and short term investments, $1,028,701; interest receivables, $4,040; less current interest payable, $13,018; and current revenue bonds payable of $81,000 have been restricted for such purposes.

Changes in revenue bonds for the year ended June 30, 1987 are summarized below (amounts expressed in thousands):

Balance July 1, 1986	$ 598,471
Notes and Bonds Issued	268,473
Principal Retirements	(32,945)
Bond Appreciation	6,340
Balance June 30, 1987	$ 840,339

Future revenue bond and note debt service requirements at June 30, 1987 were as follows (amounts expressed in thousands):

	Enterprise		**University**		**Total**		
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest	Total
1988	$ 22,926	$ 67,703	$ 3,874	$ 1,244	$ 26,800	$ 68,947	$ 95,747
1989	17,961	66,575	1,868	1,147	19,829	67,722	87,551
1990	24,565	65,341	1,738	1,050	26,303	66,391	92,694
1991	25,260	63,567	1,659	966	26,919	64,533	91,452
1992	20,610	62,689	1,647	883	22,257	63,572	85,829
Thereafter	697,616	1,149,571	20,615	6,500	718,231	1,156,071	1,874,302
	$ 808,938	$1,475,446	$ 31,401	$ 11,790	$ 840,339	$1,487,236	$2,327,575

Mississippi Hospital Equipment and Facilities Authority has issued in fiscal year 1987 $70 million in bonds at interest rates determined monthly. The above interest requirements do not include this issue.

NOTE 13—Defeased Bonds and Other Long-term Obligations

A. **Defeased Bonds** - In 1978 and 1985, the State defeased certain outstanding general obligation and other bonds by depositing the net proceeds of new bonds and additional monies from debt service funds in an irrevocable trust to be used solely for satisfying all future scheduled principal and interest payments on the old bonds. Accordingly, for financial reporting purposes the defeased bonds and related trust accounts are not included in the financial statements. At June 30, 1987 the following outstanding bonds were considered defeased (amounts expressed in thousands):

Highway Revenue Bonds - Series 33-37	$ 630
General Obligation Highway Bonds - Series 38	610
General Obligation Highway Bonds - Series 39	5,120
General Obligation Highway Bonds - Series 40	7,000
General Obligation Highway Bonds - Series 41	7,800
General Obligation Highway Bonds - Series 42	11,700
General Obligation Highway Bonds - Series 43	21,200
General Obligation Highway Bonds - Series 44	24,800
General Obligation Highway Bonds - Series 45	33
General Obligation Highway Bonds - Series 46	33,300
General Obligation Highway Bonds - Series 47	28,900
General Obligation Highway Bonds - Series 48	5
General Obligation Highway Bonds - Series 49	21,000
General Obligation Highway Bonds - Series 50	14,600
General Obligation Highway Bonds - Series 1978	443,240
General Obligation Highway Bonds - Series 1978-A	10,650
	$ 630,588

B. **Capital Lease Commitments** - The State leases property with varying terms and options. Most leases contain a fiscal funding addendum stating that the lease shall terminate on the last day of the fiscal year if appropriated funds for the ensuing fiscal year are insufficient. However, if renewal is reasonably assured, leases requiring appropriation by the Legislature are considered noncancellable leases for financial reporting purposes.

At June 30, 1987, capitalized leases included in property, plant and equipment were as follows (amounts expressed in thousands):

	University Fund Type	**General Fixed Assets Account Group**
Machinery and equipment	$ 14,778	$ 7,682

Future minimum commitments under capital leases as of June 30, 1987 were as follows (amounts expressed in thousands):

Year Ending June 30	University Fund Type	General Long-term Obligations	Total
1988	$ 3,355	$ 1,756	$ 5,111
1989	2,750	1,262	4,012
1990	2,285	765	3,050
1991	1,436	765	2,201
1992	679	308	987
Thereafter	703		703
Total Minimum Lease Payments	11,208	4,856	16,064
Less: Amounts Representing Costs and Interest	1,829	657	2,486
Present Value of Net Minimum Lease Payments	$ 9,379	$ 4,199	$ 13,578

C. **Compensated Absences** - The State of Mississippi's liability for compensated absences reported in the General Long-term Obligations Account Group at June 30, 1987 was $35,537,330. The reported liability includes related fringe benefits and excludes any obligations related to leave accumulations in excess of 30 days per employee (see Note 1-M).

D. **Other Long Term Obligations** - The State constructed and equipped an alcoholic beverage control warehouse for use by the alcoholic beverage control division. Repayment of the loan as financed by banks is from a 1% surcharge on all liquor sales.

NOTE 14—Changes in General Long-term Obligations

Changes in general long-term obligations for the year ended June 30, 1987 are summarized below (amounts expressed in thousands):

	General Obligation Notes (Note 10)	General Obligation Bonds (Note 10)	Limited Obligation Bonds (Note 11)
Balance at July 1, 1986	$	$ 216,348	$ 209,071
Notes and bonds issued	11,669	12,200	2,485
Compensated absences earned			
Decrease in lease obligations			
Increase in accreted value of capital appreciation bonds			2,854
Principal retirements and defeased bonds		(35,513)	(6,305)
Compensated absences taken			
Increase in other long-term obligations			
Balance at June 30, 1987	$ 11,669	$ 193,035	$ 208,105

Accrued Compensated Absences (Note 13)	Capital Lease Obligations (Note 13)	Other Long-term Obligations (Note 13)	Total
$ 34,906	$ 2,413	$ 1,877	$ 464,615
			26,354
19,169			19,169
	(1,464)		(1,464)
			2,854
		(1,152)	(42,970)
(18,538)			(18,538)
	3,250		3,250
$ 35,537	$ 4,199	$ 725	$ 453,270

NOTE 15—Segment Information - Enterprise Funds

Financial information by enterprise fund segment is as follows (amounts expressed in thousands):

	Department of Economic Development		**Department of Natural Resources**
	Certified Development Co., Inc. (a)	**Fair Commission and Coliseum** (b)	Water Pollution Abatement Revolving Loan (c)
Operating revenues	$ 503	$ 2,299	$ 99
Depreciation and amortization	4	262	
Operating income (loss)	283	(190)	51
Operating transfers in			
Operating transfers out			
Residual equity transfer out			
Nonoperating revenues	(37)	76	
Nonoperating expenses			
Net income (loss)	246	(113)	51
Current capital contributions	4,995		31,728
Property, plant and equipment:			
Additions	3	714	
Deletions		1	
Net working capital	6,126	842	4,448
Total assets	6,476	8,477	35,346
Bonds and other long-term liabilities payable from operating revenues		1,761	
Total equity	6,132	6,359	33,520

	Department of Agriculture and Commerce		
	Division of Lime (j)	Authority for Control of Fire Ants (k)	Farmers' Central Market Board (l)
Operating revenues	$ 246	$	$ 302
Depreciation and amortization	108	36	43
Operating income (loss)	(111)	(36)	59
Operating transfers in			2
Operating transfers out			
Residual equity transfer out		(335)	
Nonoperating revenues	(49)		(3
Nonoperating expenses	10		1
Net income (loss)	(170)	(36)	58
Current capital contributions			8
Property, plant and equipment:			
Additions			92
Deletions	63		3
Net working capital	(117)		19
Total assets	1,092		1,089
Bonds and other long-term liabilities payable from operating revenues			188
Total equity	908		828

The following types of goods or services are provided by the enterprise funds:

(a) Economic development loans to small businesses and loan guarantees
(b) State fair and coliseum activities
(c) Loans to municipalities for water pollution control
(d) Home mortgage loans to veterans
(e) Concessions and ticket sales to sporting events
(f) Port facilities
(g) Residential housing loans for lower and moderate income families
(h) Miscellaneous goods manufactured by blind persons
(i) Loans to Mississippi hospitals for hospital equipment
(j) Lime
(k) Fire ant bait - residual equity transfer to the general fund and the general fixed asset account group
(l) Processing, storing and marketing agricultural products
(m) Janitorial supplies, garden produce, firewood, and bindery services
(n) Food services
(o) Groceries
(p) Tree implanting
(q) Federal property distribution
(r) Port facilities
(s) Miscellaneous goods and services provided by handicapped citizens

Veterans' Home Purchase Board (d)	Veterans' Memorial Stadium Commission (e)	Port Authority at Gulfport (f)	Mississippi Housing Finance Corporation (g)	Mississippi Industries for the Blind (h)	Mississippi Hospital Equipment Financing Authority (i)
$ 4,208	$ 765	$ 4,332	$ 76,594	$ 13,789	$ 4,634
1	221	562	148	149	228
3,817	(99)	229	5,207	(71)	522
	88	344		54	
3,817	(11)	573	5,207	(18)	522
9,600				3,367	
	91	514		70	
				4	
5,715	1,630	683	(9,103)	4,586	60,646
53,933	5,650	20,085	766,121	7,054	93,768
	3,490	17,454	703,351		80,900
52,933	1,965	1,129	22,209	5,908	767

Department of Corrections			Department of Forestry			Department of Rehabilitation Services	
Prison Industries (m)	Lake Lodge (n)	Commissary (o)	Tree Seedling (p)	Bureau of Surplus Property (q)	Yellow Creek Inland Port Authority (r)	Allied Enterprises (s)	Total
$ 358	$ 223	$ 1,494	$	$ 617	$ 321	$ 5,073	$ 115,857
59	1	6		37	154		2,019
(114)	(27)	93		106	(191)	(3,573)	5,955
531	20	14	300		4,308	4,019	9,194
(893)		(19)					(912)
							(335)
	2	16			136	44	671
8		19		1			39
(483)	(5)	85	300	105	4,253	489	14,870
316	6			13			50,033
36	9	16		28	617		2,190
15		19		1			106
926	45	433	300	293	3,792	1,892	83,156
1,636	83	565	300	670	5,744	2,004	1,010,093
					370		807,514
1,564	73	458	300	600	5,239	1,892	142,784

NOTE 16—Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees of the State and its political subdivisions, permits participants to defer a portion of their salary until future years, thereby deferring taxation on the portion deferred. The deferred compensation is not available to employees until they are separated from service or face a serious unforeseeable financial emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or his beneficiary) solely the property of the employer (without being restricted to the provisions of benefits under the plan), subject only to the claims of the general creditors of the State and other entities which employ deferred compensation participants. Participants' rights under the plan are equal to those of general creditors of the employers in an amount equal to the fair market value of the deferred account for each participant.

As of June 30, 1987, assets held for participants and reported in an agency fund totaled approximately $88 million. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Board of Trustees of the Public Employees' Retirement System, as plan administrators, believe that it is unlikely that the State, counties, municipalities or other entities will use the assets to satisfy the claims of general creditors in the future.

NOTE 17—RETIREMENT PLANS

Plan Description

1) General

The State of Mississippi, through its Public Employees' Retirement System Board of Trustees (System), administers the State's defined benefit plans, a multiple-employer, cost sharing public employee retirement system, the Mississippi Public Employees' Retirement System (PERS) and a single-employer public employee retirement system, the Mississippi Highway Safety Patrol Retirement System (MHSPRS). Any political subdivision or juristic entity may elect to have its employees covered by PERS. The purpose of these plans is to provide pension benefits for all state employees, uniformed officers of the state highway patrol, and other public employees whose employers have elected to participate in the System. PERS and MHSPRS are considered part of the State of Mississippi's financial reporting entity and are included in the State's financial report as pension trust funds. Total covered payrolls of all participating employers aggregated $ 1,925,874,375 for the year ended June 30, 1987. The total covered payroll for the year ended June 30, 1987 for the State and MHSPRS was $ 695,237,429 and $ 10,005,940, respectively. At June 30, 1987 the number of participating government employers was:

State agencies	133
Public schools	145
Universities	10
Junior colleges	17
Counties	93
Municipalities	189
Juristic entities	152
Total Employers	739

At June 30, 1987, PERS and MHSPRS membership consisted of:

	PERS	MHSPRS
Retirees and beneficiaries of deceased retirees currently receiving benefits	28,597	388
Terminated employees entitled to benefits but not yet receiving them	67,715	35
Active employees:		
Vested	80,722	417
Non-vested	38,356	103
Total active employees	119,078	520
Total participants	215,390	943

All members of MHSPRS are employed by the State. Active PERS members by employer at June 30, 1987 were as follows:

State agencies	27,820
Public schools	49,416
Universities	11,893
Junior colleges	3,868
Counties	8,724
Municipalities	10,034
Juristic entities	7,323
Total	119,078

2) **Benefit Provisions**

Public Employees' Retirement System - Participating employees who retire at or after age 60 with 4 years of credited service or those who retire regardless of age with at least 30 years of credited service are entitled to an annual retirement allowance, payable monthly for life, in an amount equal to 1-5/8% of their average compensation for each year of credited service up to 20 years, 1-3/4% for each year of credited service in excess of 20 years up to and including 30 years, and 2% for each year of credited service over 30 years. Average compensation is the average of the employee's earnings during the four highest consecutive years of credited service. Employees with 4 to 29 years of credited service may retire at or after age 60 but before age 65 and receive a reduced retirement benefit. A member may elect an option for a reduced allowance payable throughout his life with the provision that, after his death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of 4 years of credited service. The System also provides certain death and disability benefits.

Retirees and beneficiaries who on December 1 of each year are receiving a retirement allowance are entitled to receive an additional payment equal to the annual percentage change of the consumer price index not to exceed 2-1/2% of the annual retirement allowance for each full fiscal year of retirement. These persons may also receive an additional amount, as determined by the PERS Board of Trustees contingent on sufficient funding, calculated in increments of 1/4 of 1% not to exceed 1-1/2% of the annual retirement allowance for each full year of retirement. For the years ended June 30, 1987 and 1986, the total additional annual payment percentage was 3-1/4% (2-1/2% + 3/4%).

Mississippi Highway Safety Patrol Retirement System - Participating employees who withdraw from service at or after age 55 with at least 5 years of credited service or those who retire regardless of age with at least 30 years of credited service are entitled to an annual retirement allowance, payable monthly, in an amount equal to 2-1/2% of their average compensation, based on their 4 highest consecutive years, for each year of credited service. Employees with at least 20 years of credited service may retire between ages 45 and 54 and receive a reduced retirement benefit. Benefits vest upon reaching 5 years of credited service. The System also provides certain death and disability benefits.

Retirees and beneficiaries who on December 1 of each year are receiving a retirement allowance are entitled to receive an additional payment equal to the annual percentage change of the consumer price index not to exceed 2-1/2% of the annual retirement allowance for each full fiscal year of retirement. These persons may also receive an additional amount, as determined by the PERS Board of Trustees contingent on sufficient funding, calculated in increments of 1/4 of 1%, not to exceed 1-1/2% of the annual retirement allowance for each full year of retirement. For the years ended June 30, 1987 and 1986, the total additional annual payment percentage was 3-1/4% (2-1/2% + 3/4%).

Employee and Employer Obligations to Contribute - Employees covered by PERS and MHSPRS are required to contribute 6% and 6.5%, respectively, of their salary. If an employee leaves covered employment, accumulated employee contributions plus related investment earnings allocations are refunded to the employee at his request. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and investment earnings allocations are paid to the designated beneficiary. Each employer contributes the remaining amounts necessary to finance the participation of its own employees in the System. Benefits and contribution provisions are established by state law and may be amended only by the State of Mississippi Legislature.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - PERS and MHSPRS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments:

a. Short-term interest-bearing securities are stated at cost. Maturities are generally less than 180 days. Income is recognized as earned.

b. Bonds are stated at cost. Gains and losses on bond sales are recognized under the completed transaction method.

c. Equity securities are stated at cost. Income is recognized as earned. The cost of common stock sold is determined using the average cost of that security.

d. Collateral held under reverse repurchase agreements are stated at cost. Income is recognized as earned.

See Note 4 for a more detailed discussion of investment policies.

Funding Status and Progress

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess statewide PERS and MHSPRS funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other systems. The measure is independent of the actuarial funding method used to determine contributions to the System as discussed in Contributions Required and Contributions Made.

The pension benefit obligation was determined as part of an actuarial update at June 30, 1987 and an actuarial valuation at June 30, 1986. Significant actuarial assumptions used to compute the pension benefit obligation include: (a) a rate of return on the investment of present and future assets of 8% a year compounded annually, (b) projected salary increases graduated by age from 5% to 9.3% per year compounded annually, and (c) life expectancies before and after retirement based on the 1951 Group Mortality Table.

At June 30, 1987, the unfunded pension benefit obligation was as follows (amounts expressed in thousands):

	PERS	MHSPRS	TOTAL
Pension benefit obligation:			
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$1,603,750	$72,087	$1,675,837
Current employees - accumulated employee contributions including allocated investment income	794,684	4,944	799,628
Employer-financed vested	204,557	4,334	208,891
Employer-financed non-vested	1,088,068	15,084	1,103,152
Total pension benefit obligation	3,691,059	96,449	3,787,508
Net assets available for benefits, at cost (Market Value PERS $3,109,233; MHSPRS $80,429)	2,926,177	75,543	3,001,720
Unfunded pension benefit obligation	$ 764,882	$20,906	$ 785,788

Effects of Current Year Changes in Actuarial Assumptions and Benefit Provisions

Actuarial valuations of PERS and MHSPRS are performed every other year as of June 30 (on even-numbered years) and each valuation is affected by changes in actuarial assumptions and changes in benefit provisions since the preceding valuation. The nature of changes in actuarial assumptions and benefit provisions, including the dollar effect on the System's pension benefit obligation at June 30, 1987 and 1986, since the most recent actuarial valuation as of June 30, 1986 is explained below:

1987:
Actuarial Assumptions

None

Benefit Provisions

Reduced the number of years to qualify for disability retirement from 10 to 4 years of creditable service. This change in benefit provision is considered to have an insignificant effect on the System's pension benefit obligation.

1986:
Actuarial Assumptions

(1) Increased interest rate assumption from 7-1/2% to 8% for both PERS and MHSPRS.

(2) Increased salary scale from 6% to 6-1/2% for MHSPRS.

The effect of these changes in actuarial assumptions on PERS and MHSPRS was to reduce the pension benefit obligation by approximately $195,000,000 and $5,000,000 for PERS and MHSPRS, respectively.

Benefit Provisions

(1) Determined "average compensation" using highest four versus five successive years and provided a 3% ad hoc increase to all retired members where retirement allowance was based on the average of compensation of five successive years for both PERS and MHSPRS.

(2) Reduced vesting eligibility from ten years to four years and fifteen to five years of service for PERS and MHSPRS, respectively.

(3) Increased minimum monthly allowance for each year of service from $5 to $7.50 for PERS.

(4) Eliminated 3% reduction in benefits when state law requires retirement at age 62 from July 1, 1985 through June 30, 1986 for PERS.

(5) Provided an early retirement incentive to members of MHSPRS whereby a member who has at least 20 years of service shall not be subject to the 3% penalty if below the age of 55 and elects to withdraw and retire during the period from April 18 through June 30, 1986. Provided further that the retirement allowance shall be based upon the current fiscal year's salary of the applicant.

The aggregate increase in the System's pension benefit obligation resulting from the benefit provision modifications was $90,000,000 and $11,000,000 for the PERS and MHSPRS, respectively.

Benefit Provisions Effective Subsequent to Year-End

During its 1987 session, the Mississippi State Legislature passed Senate Bill No. 2387. The bill, effective July 1, 1987, grants an enhanced benefit to members of the System who have 25 or more years of service or otherwise qualify for a retirement benefit and increases the minimum monthly allowance for each year of service from $7.50 to $10.00. The additional costs to the System for the above changes will be to increase the PERS obligation by approximately $236,000,000.

Contributions Required and Contributions Made

Funding policies for PERS and MHSPRS provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age normal actuarial funding method. Actuarial valuations prepared as of June 30, 1986, the most recent valuation date, indicate that the unfunded liability liquidation periods of PERS and MHSPRS are 14 and 16 years, respectively, under the level percentage of payroll method.

Contributions for PERS and MHSPRS were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at June 30, 1986. In the following table summarizing contributions, $874,226 of fees collected by MHSPRS are included in State contributions. Contributions for the year ended June 30, 1987 consisted of (amounts expressed in thousands):

	PERS		MHSPRS	
	Amount	Percentage of current covered payroll	Amount	Percentage of current covered payroll
Employers' contributions:				
Normal cost	$ 83,532	4.36%	$1,877	15.03%
Amortization of unfunded actuarial present value	84,107	4.39%	1,615	12.94%
Employees' contributions:				
Normal cost	111,113	6.00%	663	6.50%
Total contributions	$278,752		$4,155	

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardized measure of the pension obligation discussed in Funding Status and Progress.

Historical Trend Information

Ten-Year -

Historical trend information designed to provide information about PERS' and MHSPRS' progress made in accumulating sufficient assets to pay benefits when due is presented in the separately issued Component Unit Financial Report of the Public Employees' Retirement System.

Three-Year - (amount expressed in thousands)

	Net assets available for benefits (a)	Pension benefit obligation (b)	(a) ÷ (b) (c)	Unfunded pension benefit obligation (d)	Annual covered payroll (e)	(d) ÷ (e) (f)	Employer annual covered payroll (g)	Employer contributions (h)	(h) ÷ (g) (i)
PERS									
1986	$2,523,570	$3,276,754	77.0%	$753,184	$1,676,489	44.9%	$ 701,881	$61,415	8.75%
1987	2,926,177	3,691,059	79.3	764,882	1,782,165	42.9	6[illegible]5,237	60,833	8.75
MHSPRS									
1986	$ 68,190	$ 81,821	83.3%	$ 13,631	$ 9,781	139.4%	$ 13,726	$ 3,591	26.16%
1987	75,543	96,449	78.3	20 906	11,135	187.8	10,006	2,618	26.16

Information for fiscal year 1985 was not available.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of PERS and MHSPRS funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of PERS' and MHSPRS' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS. The State's contributions were made in accordance with actuarially determined requirements.

NOTE 18—Commitments

A. Operating Leases

The State of Mississippi has entered into numerous agreements to lease land and buildings which are classified as operating leases. These agreements generally contain the provision that, at the expiration date of the lease, the State may renew the operating lease on a month-to-month basis. It is expected that in the normal course of business most of these leases will be renewed or replaced by similar leases. Future minimum commitments due under operating leases for land and buildings as of June 30, 1987 were as follows (amounts expressed in thousands):

Year Ending June 30	Amount
1988	$ 5,853
1989	4,188
1990	2,813
1991	1,293
1992	554
Thereafter	950
Total Minimum Commitments	$15,651

Expenditures for rental of land and buildings under operating leases for the year ended June 30, 1987 amounted to $6,677,907.

B. Contracts

At June 30, 1987, the Highway Department had long-term contracts outstanding of approximately $250,567,734 with performance continuing during fiscal year 1988. These contracts will be paid through the General Fund. Approximately 72% of future expenditures related to these commitments are expected to be reimbursed from proceeds of federal grants when the actual costs are incurred. The remaining portion will be funded by specific gasoline taxes.

The State Aid Road Division had long-term contracts of $15,463,134 outstanding at June 30, 1987 for construction of state and county roads. These contracts will be paid through the General Fund primarily from specific tax levies.

The Bureau of Building, Grounds and Real Property Management had outstanding construction contracts of $12,204,645 at June 30, 1987. These contracts will be paid from capital projects funds.

The universities have contracted for the construction of various facilities. At June 30, 1987 contracts of $18,749,109 were outstanding. These will be paid through the university funds from bond proceeds, transfers from capital projects funds and plant fund revenues.

NOTE 19—Contingencies

A. Federal Grants - The State has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the State. The State estimates that the ultimate disallowance pertaining to these grants, if any, will be immaterial to its overall financial condition.

B. Litigation - The State has several actions filed against it by out-of-state insurance companies to seek substantial tax refunds. The parties have agreed to hold any major proceedings in these cases in obeyance until further guidance can be obtained from a case in the courts of another state. If the court should rule that collection of the tax was unconstitutional the tax rate shall be increased 1% for a period of six years to fund any losses.

The State is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the State with respect to the various proceedings; however, the State's legal counsel believes that any ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the State.

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General Fund

The General Fund accounts for resources obtained and used for those services traditionally provided by state government which are not required to be accounted for in another fund.

Balance Sheet
June 30, 1987

	June 30, 1987	June 30, 1986
Assets:		
Cash and cash equivalents	$ 469,942,014	$ 395,857,102
Receivables, net:		
Taxes	172,342,432	161,619,837
Interest	4,028,207	2,914,855
Due from other governments	100,481,505	88,983,069
Other	12,394,599	16,888,224
Interfund receivables	7,804,730	5,382,400
Food stamp inventory	82,249,243	64,935,953
Inventories	28,843,501	28,471,443
Loans and notes receivable	7,636,400	
Loans to other funds	119,613	
Total Assets	$ 885,842,244	$ 765,052,883
Liabilities:		
Warrants payable	$ 61,479,739	$ 69,682,906
Accounts payable and accruals	111,185,004	113,822,584
Income tax refunds payable	70,000,000	56,000,000
Due to other governments	64,695,360	47,512,766
Interfund payables	12,962,464	10,706,606
Deferred revenues	96,790,414	80,323,687
Loans from other funds	2,800,000	2,800,000
Total Liabilities	419,912,981	380,848,549
Fund Balance:		
Reserved for:		
Encumbrances	8,693,376	13,954,063
Inventories	28,843,501	28,471,443
Long-term portion of loans and notes receivable	12,147,325	5,629,292
Unreserved:		
Designated for debt service	199,432	
Designated for road and highway construction	131,083,397	117,247,126
Designated for other specific purposes	108,107,249	107,936,124
Undesignated	176,854,983	110,966,286
Total Fund Balance	465,929,263	384,204,334
Total Liabilities and Fund Balance	$ 885,842,244	$ 765,052,883

General Fund

Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balance For the Year Ended June 30, 1987

	For the Year Ended	
	June 30, 1987	June 30, 1986
Revenues:		
Taxes:		
Sales and use	$ 1,028,554,608	$ 1,039,574,306
Gasoline	146,209,173	149,982,500
Motor fuel and privilege	32,564,066	33,512,443
Motor vehicle registration	16,638,198	15,998,562
Individual income	301,892,455	276,966,108
Alcoholic beverage	40,646,026	39,417,374
Corporate income and franchise	159,608,380	146,757,143
Severance	50,718,929	70,212,788
Inheritance	9,590,186	13,038,645
Tobacco	54,506,774	54,424,436
Insurance	72,592,006	69,236,432
Nuclear power	17,809,814	
Other	4,808,616	4,991,605
Licenses, fees and permits:		
User fees	15,158,412	18,983,398
Drivers' licenses	5,893,681	5,881,682
Other	16,121,875	9,448,097
Federal government	1,134,941,451	968,121,290
Interest	28,981,932	32,953,701
Departmental services:		
Interdepartmental charges	4,559,998	6,003,058
Sale of supplies and services outside State government	141,856,758	136,237,768
Rentals	4,249,733	3,822,900
Other	22,860,212	34,280,885
Total Revenues	3,310,763,283	3,129,845,121
Expenditures:		
Current:		
General government	467,728,304	422,054,747
Education	989,852,829	833,327,969
Health and social services	1,015,369,320	955,341,494
Law, justice and public safety	115,498,022	118,583,693
Recreation and resources development	52,888,854	53,813,715
Transportation	336,817,295	396,192,813
Debt service:		
Principal	9,679,680	8,266,212
Interest and other fiscal charges	2,110,753	2,067,461
Total Expenditures	2,989,945,057	2,789,648,104
Excess of Revenues over (under) Expenditures	320,818,226	340,197,017
Other Financing Sources (Uses):		
Proceeds of notes and bonds issued	23,869,000	
Proceeds of capital leases	3,250,240	
Operating transfers in	79,645,609	47,274,605
Operating transfers out	(348,200,107)	(388,227,920)
Net Other Financing Sources	(241,435,258)	(340,953,315)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	79,382,968	(756,298)
Fund Balance July 1, as Restated	384,204,334	386,558,909
Residual Equity Transfer In	1,916,992	
Increase (Decrease) in Reserve for Inventories	424,969	(1,598,277)
Fund Balance June 30	$ 465,929,263	$ 384,204,334

Schedule of Current Expenditures by Function and Agency
For the Year Ended June 30, 1987

	For the Year Ended	
	June 30, 1987	June 30, 1986
General Government:		
Legislative (includes Legislative Budget Office and Legislative Office of Performance Evaluation and Expenditures Review)	$ 9,432,438	$ 9,487,722
Governor's Office and Mansion	1,024,910	1,082,630
Governor's Office of General Services	6,047,919	6,777,561
Governor's Office of Federal-State Programs	748,983	1,569,276
Secretary of State	2,537,191	2,326,173
Department of Audit	6,940,328	7,274,263
Financial Control Department	1,280,041	1,571,748
Fiscal Management Board	1,265,545	1,045,701
Treasurer	588,037	662,991
Tax Commission	193,297,326	171,151,024
Department of Archives and History	3,593,337	3,598,334
Department of Insurance	1,696,982	1,826,600
National Guard Aircraft Pool	529,455	520,597
Diversion to Counties and Cities	237,355,222	211,657,703
Other	1,390,590	1,502,424
Total General Government	467,728,304	422,054,747
Education:		
Department of Education	317,086,690	173,548,813
Minimum Education Program	591,435,759	566,652,471
Educational Finance Commission	5,735,564	3,560,640
Junior Colleges	50,184,909	57,642,024
Textbook Procurement Commission	4,296,230	9,837,166
Authority for Educational Television	6,293,645	6,627,650
Schools for Blind and Deaf	5,131,107	5,877,275
Department of Rehabilitation for the Blind	5,029,878	4,937,771
Library Commission	4,659,047	4,644,159
Total Education	989,852,829	833,327,969
Health and Social Services:		
Department of Health	91,943,445	96,340,780
Division of Medicaid (Governor's Office)	358,630,243	307,358,256
Eleemosynary Institutions	8,855,487	12,251,855
Department of Mental Health and Related Institutions	109,315,436	108,749,732
Department of Public Welfare	442,588,867	422,281,675
Other	4,035,842	7,569,023
Total Health and Social Services	1,015,369,320	954,551,321
Law, Justice and Public Safety:		
Attorney General	4,215,246	3,754,980
Circuit and Chancery Judges and District Attorneys	11,112,675	10,966,512
Department of Corrections	53,678,311	48,866,923
Department of Youth Services	9,029,126	9,472,814
Military Department	2,703,855	3,969,884
Department of Public Safety	27,593,494	34,079,367
Bureau of Narcotics	3,756,857	4,097,665
Supreme Court and Clerk	2,171,770	2,160,478
Other	1,236,688	1,215,070
Total Law, Justice and Public Safety	115,498,022	118,583,693
Recreation and Resources Development:		
Department of Agriculture and Commerce	6,630,817	8,550,809
Department of Economic Development	7,749,961	5,285,081
Forestry Commission	18,348,022	20,594,283
Department of Natural Resources	18,721,269	18,754,153
Other	1,438,785	629,389
Total Recreation and Resources Development	52,888,854	53,813,715
Transportation:		
Highway Department	309,791,191	363,364,078
State Aid Road Division	27,026,104	32,828,735
Total Transportation	336,817,295	396,192,813
Total Expenditures by Function and Department	$ 2,978,154,624	$ 2,778,524,258

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Significant Special Revenue Funds Descriptions

The numerous special revenue funds used by the State have been grouped by organizational unit and combined into specific functions.

General Government

Tax Commission	**Telecommunications Fund** — accounts for the operation of a statewide information system on motor vehicles. Funding is provided by motor vehicle title and privilege fees collected by and transferred from the General Fund.
Federal-State Programs	**Grant Distributive, Alcohol Programs, and Revenue Sharing Fund** — accounts for grant monies received from the federal government, transfers from the General Fund, penalty assessments on motor vehicle operation offenses involving intoxication, and interest distributed to other state departments in accordance with program requirements.
Emergency Management Agency	**Emergency Management Fund** — accounts for grant monies received from the federal government and transfers from the General Fund. Expenditures are restricted by the various grant agreements but all pertain to emergency management programs and their administration.
Fiscal Management Board	**Court Assessments and Settlements Fund** — accounts for monies received as a result of a court assessment to provide restitution to overcharged customers. Transfers from these funds are restricted to programs providing conservation and assistance benefits to energy consumers.

Education

Department of Education	**School Lunch Program Fund** — The fund was transferred to the General Fund with no fund balance on June 30, 1986.
	Driver's Training Penalty Assessment Fund — Residual equity was transferred to the General Fund.

Health and Social Services

Health Care Commission	**Health Care Commission Fund** — Residual equity was transferred to the General Fund.
Department of Rehabilitation Services	**Rehabilitation Services Fund** — accounts for federal and state monies used to provide vocational rehabilitation programs for the handicapped.
	Disability Determination Fund — accounts for funds received from the federal government for the specific purpose of evaluating applicants for Social Security benefits consistent with laws and regulations pertaining to disability eligibility.

Department of Mental Health

Alcohol and Drug Abuse Program Fund — accounts for a three percent tax on alcoholic beverages collected by and transferred from the General Fund for the purpose of administering drug and alcohol abuse treatment and rehabilitation programs. Expenditures consist primarily of grants for regional alcohol treatment programs, vocational rehabilitation services, inpatient treatment programs, and alcohol rehabilitation programs for the Department of Corrections.

Employment Security Commission

Employment Services Fund — accounts for monies received from the federal government for administering the Unemployment Compensation Act.

Law, Justice and Public Safety

Department of Corrections

Community Services Fund — provides alternative diversionary programs which subject individuals to the minimum supervision and control that the inmate requires in lieu of incarceration within the penitentiary. Revenue is provided by probation release fees.

Military Department

Camp Shelby Timber Fund — accounts for funds received from sale of timber, mineral leases on lands, and store sales. Expenditures are for the maintenance of Camp Shelby.

Facility Maintenance and Operation Fund — accounts for monies received from the federal government to maintain, expand, and improve armory facilities within the State.

Camp Shelby Base Operation Fund — accounts for federal monies received for the specific purpose of training troops.

Equipment Pool Fund — accounts for costs of storing and maintaining U.S. Army and Reserve equipment stored at the Camp Shelby training base. Revenue is primarily derived from the federal government.

Air National Guard Training Site Operation Fund — accounts for federal monies used primarily to pay the salaries of state employees working at the Gulfport Air National Guard training site.

Recreation and Resources Development

Department of Agriculture and Commerce

Rice Promotion Board — accounts for fees charged for the sale of rice. This revenue is expended to promote the rice industry through research, education, and advertising.

Soybean Promotion Fund — accounts for fees charged for the sale of soybeans. This revenue is expended to promote the soybean industry through research, education, and advertising.

Oil and Gas Board

Oil and Gas Board Fund — accounts for fees imposed on producing wells, drilling, and operations. Funds are used to protect public and private interests against waste in the production and use of oil and gas, to obtain full development in oil production within the State, and to maintain records of all oil and gas wells drilled and producing.

Department of Wildlife Conservation and Marine Resources

Museum of Natural Science Fund — accounts for transfers from the General Fund and miscellaneous revenues used to operate the Mississippi Museum of Natural Science, including the acquisition,maintenance, and exhibition of natural science collections.

Bureau of Fisheries and Wildlife Fund — accounts for expenditures of enforcing laws for the preservation and protection of the State's wildlife resources and enhancing their environments. Additional responsibilities and expenses of this bureau and fund are enforcement of boating safety on state lakes and streams and enforcement of hunter safety. The Bureau of Fisheries and Wildlife Fund also shares in administrative costs of the Department of Wildlife Conservation through operating transfers to the administrative fund. Revenues are derived from the sale of hunting and fishing licenses, fees, and permits.

Administrative Fund — accounts for wildlife conservation related administrative costs including accounting, public relations, personnel, purchases, data processing, property control, and printing. Funding is provided by transfers from the Bureau of Fisheries and Wildlife Fund and the General Fund.

Motor Vehicle Fund — accounts for the purchase of motor vehicles for the Department of Wildlife Conservation and Marine Resources. Funding is provided primarily from eight percent of the proceeds from the sale of hunting and fishing licenses, fees, and permits.

Bureau of Marine Resources Fund — accounts for expenditures of conserving and protecting marine resources and of administering coastal zone, liaison, and statistical programs as directed by the National Office of Marine Fisheries. Funding is provided by transfers from the General Fund and by federal grants.

Regulation of Business and Professions

Public Service Commission

Public Service Commission Fund — accounts for the costs of regulating all for-hire transportation and communication, electric, gas, water and sewer utilities. Revenue is derived principally from motor carrier application and registration fees and utilities tax assessments.

Workers' Compensation Commission

Workers' Compensation Commission Fund — accounts for expenditures relating to administering the provisions of the Mississippi Worker's Compensation Law, which include cooperating with other state and federal authorities for the prevention of injuries and occupational diseases and, in the event of such injuries and diseases, coordinating the rehabilitation or restoration to health and vocational opportunity of the affected worker.

Department of Banking and Consumer Finance

Bank Supervision Administrative Fund — accounts for assessment fees charged to banks to fund the regulation and supervision of banks operating within the State.

Consumer Finance Fund — accounts for funds collected in the examining and licensing of motor vehicle finance organizations and small loan organizations.

Other Regulatory Agencies

Other Regulatory Agencies Fund — provides for the control and regulation of various professions by boards and commissions established for this purpose. Revenue is provided by examination and license renewal fees. Each board or commission has its own account within this fund to account for its operation.

Transportation

Department of Energy and Transportation

Energy and Transportation Fund — accounts for state and federal monies and other revenues used to coordinate the State's energy and transportation activities, needs, and programs and to develop a statewide transportation system.

Railroad Loan Fund — accounts for loans made to railways to revitalize the railroad industry. Funding is provided by loan repayments and interest.

Special Revenue Funds

Combining Balance Sheet
June 30, 1987

	General Government	Education	Health and Social Services	Law, Justice and Public Safety
Assets:				
Cash and cash equivalents	$ 35,207,936	$ 464,950	$ 8,759,023	$ 2,664,818
Investments	1,000,000			
Receivables, net:				
Interest	286,056	747	2,025,370	705
Due from other governments	16,389,915		1,778,804	249,798
Other	129,959	986	70,812	19,047
Interfund receivables	1,419,538	74,829	2,390,083	434
Inventories			208,713	595,187
Loans and notes receivable	5,801,768			
Other assets				
Total Assets	$ 60,235,172	$ 541,512	$ 15,232,805	$ 3,529,989
Liabilities:				
Warrants payable	$ 4,074,000	$ 11,598	$ 3,019,248	$ 829,555
Accounts payable and accruals	236,575	33,342	2,335,387	355,196
Due to other governments	3,848,449		12,912	1,943
Interfund payables	6,542,022	462	1,485,426	48,747
Deferred revenues	7,934,328	15,415	1,156,879	663,996
Other liabilities				
Loans from other funds			163,676	
Total Liabilities	22,635,374	60,817	8,173,528	1,899,437
Fund Balances:				
Reserved for:				
Encumbrances	60,780	12	607,555	100,156
Inventories			208,713	595,187
Long-term portion of receivables	3,337,700			
Other specific purposes				
Unreserved:				
Designated for other specific purposes		266,126		
Undesignated	34,201,318	214,557	6,243,009	935,209
Total Fund Balances	37,599,798	480,695	7,059,277	1,630,552
Total Liabilities and Fund Balances	$ 60,235,172	$ 541,512	$ 15,232,805	$ 3,529,989

Recreation and Resources Development	Regulation of Business and Professions	Transportation	Totals June 30, 1987	Totals June 30, 1986
$ 14,854,657	$ 15,056,992	$ 16,997,963	$ 94,016,339	$ 87,388,759
			1,000,000	2,150,000
82,624	6,268	60,009	2,461,779	311,620
1,242,098	115,498	205,690	19,981,803	16,475,023
9,737	378,092	72,035	680,668	2,409,935
106,577	97,666	69,659	4,158,786	7,431,336
43,042	1,052		847,994	696,350
		1,081,111	6,882,879	4,924,754
				51,296
$ 16,338,735	$ 15,665,568	$ 18,486,467	$ 130,030,248	$ 121,839,073
$ 1,328,747	$ 513,342	$ 704,975	$ 10,481,465	$ 10,143,126
434,197	153,015	94,088	3,641,800	5,305,229
			3,863,304	14,333,191
329,234	2,545,026	180,917	11,131,834	9,238,211
404,744	3,110,089	7,898	13,293,349	14,041,862
				13,524
			163,676	
2,496,922	6,321,472	987,878	42,575,428	53,075,143
309,809	4,653	559,264	1,642,229	2,687,621
43,042	1,052		847,994	696,350
		848,966	4,186,666	4,651,666
				11,065
			266,126	292,780
13,488,962	9,338,391	16,090,359	80,511,805	60,424,448
13,841,813	9,344,096	17,498,589	87,454,820	68,763,930
$ 16,338,735	$ 15,665,568	$ 18,486,467	$ 130,030,248	$ 121,839,073

Special Revenue Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1987

	General Government	Education	Health and Social Services	Law, Justice and Public Safety
Revenues:				
Taxes	$	$	$	$
Licenses, fees and permits	692,077	11,256	2,939,885	1,178,747
Federal government	148,111,921	143,861	54,706,188	10,333,610
Interest income	1,633,931	29,883	9,039	22,587
Departmental services	2,801	93,120	381,964	1,357,908
Rental income	574,989	9,960	305,066	
Court assessments	12,320,796			
Other	596,531	64,501	883,240	88,676
Total Revenues	163,933,046	352,581	59,225,382	12,981,528
Expenditures:				
Current:				
General government	95,635,162			
Education		298,034		
Health and social services			76,123,193	
Law, justice and public safety				13,423,669
Recreation and resources development				
Regulation of business and professions				
Transportation				
Debt service:				
Principal	314,091			
Interest	169,893			
Total Expenditures	96,119,146	298,034	76,123,193	13,423,669
Excess of Revenues over (under) Expenditures	67,813,900	54,547	(16,897,811)	(442,141)
Other Financing Sources (Uses):				
Operating transfers in	12,854,448	8,259	33,905,647	709,842
Operating transfers out	(76,456,345)	(27,137)	(12,959,155)	(1,050,425)
Net Other Financing Sources (Uses)	(63,601,897)	(18,878)	20,946,492	(340,583)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	4,212,003	35,669	4,048,681	(782,724)
Fund Balances July 1, as Restated	33,387,795	1,748,105	3,446,598	2,433,013
Residual Equity Transfers Out		(1,303,079)	(438,566)	(125,347)
Increase in Reserve for Inventories			2,564	105,610
Fund Balances June 30	$ 37,599,798	$ 480,695	$ 7,059,277	$ 1,630,552

			Totals for the Year Ended	
Recreation and Resources Development	Regulation of Business and Professions	Transportation	June 30, 1987	June 30, 1986
$	$ 175,000	$	$ 175,000	$ 175,000
9,465,531	13,962,258		28,249,754	29,319,369
4,998,014	156,733	4,266,331	222,716.658	313,249,514
680,560	128,964	776,437	3,281,401	2,116,038
773,442	28,582	20	2,637,837	1,840,912
			890,015	516,112
			12,320,796	28,378,643
205,087	56,726	217,542	2,112,303	4,569,581
16,122,634	14,508,263	5,260,330	272,383,764	380,165,169
			95,635,162	96,345,877
			298,034	92,788,391
			76,123,193	79,879,021
			13,423,669	13,263,554
18,298,029			18,298,029	18,010,269
	11,691,234		11,691,234	11,991,342
		9,069,464	9,069,464	7,322,142
			314,091	272,131
			169,893	211,853
18,298,029	11,691,234	9,069,464	225,022,769	320,084,580
(2,175,395)	2,817,029	(3,809,134)	47,360,995	60,080,589
4,262,141		17,617,028	69,357,365	51,762,742
(2,637,484)	(2,603,611)	(577,965)	(96,312,122)	(83,192,012)
1,624,657	(2,603,611)	17,039,063	(26,954,757)	(31,429,270)
(550,738)	213,418	13,229,929	20,406,238	28,651,319
14,349,509	9,130,250	4,268,660	68,763,930	40,028,527
			(1,866,992)	
43,042	428		151,644	84,084
$ 13,841,813	$ 9,344,096	$ 17,498,589	$ 87,454,820	$ 68,763,930

Combining Balance Sheet
General Government
June 30, 1987

	Tax Commission			
	Telecommunication	Mineral Documentary Stamp	**Federal-State Programs**	**Emergency Management**
Assets:				
Cash and cash equivalents	$ 1,919,368	$ 2,839	$ 7,859,890	$ 1,672,509
Investments			1,000,000	
Receivables, net:				
Interest			222,496	
Due from other governments			16,003,396	348,239
Other			65,355	1,248
Interfund receivables	585,830		833,708	
Loans and notes receivable			5,801,768	
Total Assets	$ 2,505,198	$ 2,839	$ 31,786,613	$ 2,021,996
Liabilities:				
Warrants payable	$ 200,504	$	$ 3,655,952	$ 205,513
Accounts payable and accruals	40,604		112,097	17,302
Due to other governments			3,316,174	504,738
Interfund payables			6,212,367	47,069
Deferred revenues			7,900,622	33,706
Other liabilities				
Total Liabilities	241,108		21,197,212	808,328
Fund Balances:				
Reserved for:				
Encumbrances			54,546	6,234
Long-term portion of loans receivable			3,337,700	
Unreserved:				
Undesignated	2,264,090	2,839	7,197,155	1,207,434
Total Fund Balances	2,264,090	2,839	10,589,401	1,213,668
Total Liabilities and Fund Balances	$ 2,505,198	$ 2,839	$ 31,786,613	$ 2,021,996

Fiscal Management Board	General Services		Totals	
Court Assessments and Settlements	Land Leasing	Other	June 30, 1987	June 30, 1986
$ 23,433,904	$ 2,814	$ 316,612	$ 35,207,936	$ 40,338,646
			1,000,000	2,150,000
61,843		1,717	286,056	221,896
		38,280	16,389,915	7,290,272
	62,950	406	129,959	2,160,897
			1,419,538	3,680,366
			5,801,768	3,802,700
$ 23,495,747	$ 65,764	$ 357,015	$ 60,235,172	$ 59,644,777
$	$	$ 12,031	$ 4,074,000	$ 3,925,975
		66,572	236,575	1,433,591
		27,537	3,848,449	5,997,332
	282,586		6,542,022	4,847,132
			7,934,328	10,049,475
				3,477
	282,586	106,140	22,635,374	26,256,982
			60,780	56,750
			3,337,700	3,802,700
23,495,747	(216,822)	250,875	34,201,318	29,528,345
23,495,747	(216,822)	250,875	37,599,798	33,387,795
$ 23,495,747	$ 65,764	$ 357,015	$ 60,235,172	$ 59,644,777

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
General Government
For the Year Ended June 30, 1987

	Tax Commission			
	Telecommunication	Mineral Documentary Stamp	Federal-State Programs	Emergency Management
Revenues:				
Licenses, fees and permits	$	$ 317	$ 225,655	$ 2,000
Federal government			145,080,321	3,031,600
Interest income			315,005	
Departmental services			44	986
Rental income				
Court assessments				
Other			296,564	286,717
Total Revenues		317	145,917,589	3,321,303
Expenditures:				
Current:				
General government	2,281,751		89,212,972	3,609,594
Debt service:				
Principal	314,091			
Interest	169,893			
Total Expenditures	2,765,735		89,212,972	3,609,594
Excess of Revenues over (under) Expenditures	(2,765,735)	317	56,704,617	(288,291)
Other Financing Sources (Uses):				
Operating transfers in	3,467,302		4,934,304	4,452,842
Operating transfers out			(56,833,746)	(11,703)
Net Other Financing Sources (Uses)	3,467,302		(51,899,442)	4,441,139
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	701,567	317	4,805,175	4,152,848
Fund Balance, July 1 as Restated	1,562,523	2,522	5,784,226	(2,939,180)
Fund Balances June 30	$ 2,264,090	$ 2,839	$ 10,589,401	$ 1,213,668

Fiscal Management Board	General Services		Totals for the Year Ended	
Court Assessments and Settlements	Land Leasing	Other	June 30, 1987	June 30, 1986
$	$	$ 464,105	$ 692,077	$ 544,562
			148,111,921	145,685,943
1,283,113	28,622	7,191	1,633,931	951,702
		1,771	2,801	983
	574,989		574,989	516,112
12,320,796			12,320,796	28,378,643
		13,250	596,531	2,407,195
13,603,909	603,611	486,317	163,933,046	178,485,140
	116,127	414,718	95,635,162	96,345,877
			314,091	272,131
			169,893	211,853
	116,127	414,718	96,119,146	96,829,861
13,603,909	487,484	71,599	67,813,900	81,655,279
			12,854,448	14,498,966
(19,007,062)	(603,611)	(223)	(76,456,345)	(66,072,348)
(19,007,062)	(603,611)	(223)	(63,601,897)	(51,573,382)
(5,403,153)	(116,127)	71,376	4,212,003	30,081,897
28,898,900	(100,695)	179,499	33,387,795	3,305,898
$ 23,495,747	$ (216,822)	$ 250,875	$ 37,599,798	$ 33,387,795

Combining Balance Sheet
Education
June 30, 1987

	Department of Education	Vocational Rehabilitation for the Blind	Other
Assets:			
Cash and cash equivalents	$ 111,825	$ 34,780	$ 318,345
Receivables, net:			
Interest			747
Due from other governments			
Other			986
Interfund receivables		74,686	143
Total Assets	$ 111,825	$ 109,466	$ 320,221
Liabilities:			
Warrants payable	$ 11,166	$ 432	$
Accounts payable and accruals	32,195	746	401
Due to other governments			
Interfund payables	462		
Deferred revenues	15,415		
Total Liabilities	59,238	1,178	401
Fund Balances:			
Reserved for encumbrances	12		
Unreserved:			
Designated for other specific purposes			266,126
Undesignated	52,575	108,288	53,694
Total Fund Balances	52,587	108,288	319,820
Total Liabilities and Fund Balances	$ 111,825	$ 109,466	$ 320,221

Totals	
June 30, 1987	June 30, 1986
$ 464,950	$ 2,887,894
747	2,359
	6,467,087
986	16,720
74,829	1,046,363
$ 541,512	$ 10,420,423
$ 11,598	$ 689,108
33,342	24,568
	7,868,237
462	65,735
15,415	24,670
60,817	8,672,318
12	6,659
266,126	290,819
214,557	1,450,627
480,695	1,748,105
$ 541,512	$ 10,420,423

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Education
For the Year Ended June 30, 1987

	Department of Education	
	Driver's Training Penalty Assessment	Other
Revenues:		
Licenses, fees and permits	$	$ 2,634
Federal government		143,861
Interest income		2,488
Departmental services		13,738
Rental income		
Other		350
Total Revenues		163,071
Expenditures:		
Education		167,810
Excess of Revenues over (under) Expenditures		(4,739)
Other Financing Sources (Uses):		
Other operating transfers in		8,259
Other operating transfers out		(27,137)
Net Other Financing Sources (Uses)		(18,878)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		(23,617)
Fund Balances July 1	1,303,079	76,204
Residual Equity Transfer Out	(1,303,079)	
Fund Balances June 30	$ 0	$ 52,587

Vocational Rehabilitation for the Blind	Other	Totals for the Year Ended	
		June 30, 1987	June 30, 1986
$	$ 8,622	$ 11,256	$ 1,951,329
		143,861	89,433,432
4,568	22,827	29,883	34,186
60,861	18,521	93,120	180,323
	9,960	9,960	136,816
167	63,984	64,501	
65,596	123,914	352,581	91,736,086
35,311	94,913	298,034	92,788,391
30,285	29,001	54,547	(1,052,305)
		8,259	3,487
		(27,137)	(9,238)
		(18,878)	(5,751)
30,285	29,001	35,669	(1,058,056)
78,003	290,819	1,748,105	2,806,161
		(1,303,079)	
$ 108,288	$ 319,820	$ 480,695	$ 1,748,105

Combining Balance Sheet
Health and Social Services
June 30, 1987

	Department of Rehabilitation Services		Department of Mental Health	
	Rehabilitation Services	Disability Determination	Alcohol and Drug Abuse Program	Social Services
Assets:				
Cash and cash equivalents	$ 2,501,715	$ 845,273	$ 435,833	$ 44,044
Receivables, net:				
Interest				14
Due from other governments	990,894	79,505		
Other	21,183			8,656
Interfund receivables	185,859		196,520	
Inventories	26,303			
Other assets				
Total Assets	$ 3,725,954	$ 924,778	$ 632,353	$ 52,714
Liabilities:				
Warrants payable	$ 1,094,342	$ 745,995	$ 19,519	$
Accounts payable and accruals	684,717	299,579	243,891	1,811
Due to other governments	9,342			
Interfund payables	94,938	46,814	228,751	600
Deferred revenues	603,460			
Loans from other funds				
Total Liabilities	2,486,799	1,092,388	492,161	2,411
Fund Balances:				
Reserved for:				
Encumbrances	160,817	314,944		
Inventories	26,303			
Other specific purposes				
Unreserved:				
Designated for other specific purposes				
Undesignated	1,052,035	(482,554)	140,192	50,303
Total Fund Balances	1,239,155	(167,610)	140,192	50,303
Total Liabilities and Fund Balances	$ 3,725,954	$ 924,778	$ 632,353	$ 52,714

Employment Security Commission	Department of Health		Totals	
Employment Services	Domestic Violence	Other	June 30, 1987	June 30, 1986
$ 4,680,847	$ 233,303	$ 18,008	$ 8,759,023	$ 6,364,011
2,025,356			2,025,370	
680,472	27,933		1,778,804	1,683,311
40,973			70,812	42,539
2,007,704			2,390,083	1,932,598
182,410			208,713	206,149
				51,236
$ 9,617,762	$ 261,236	$ 18,008	$ 15,232,805	$ 10,279,844
$ 1,141,534	$ 17,858	$	$ 3,019,248	$ 2,759,667
1,064,843	40,546		2,335,387	2,448,027
3,570			12,912	3,576
1,114,323			1,485,426	818,143
553,419			1,156,879	803,833
163,676			163,676	
4,041,365	58,404		8,173,528	6,833,246
131,794			607,555	1,345,340
182,410			208,713	206,149
				1,008
				1,961
5,262,193	202,832	18,008	6,243,009	1,892,140
5,576,397	202,832	18,008	7,059,277	3,446,598
$ 9,617,762	$ 261,236	$ 18,008	$ 15,232,805	$ 10,279,844

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Health and Social Services
For the Year Ended June 30, 1987

		Department of Rehabilitation Services	
	Health Care Commission	Rehabilitation Services	Disability Determination
Revenues:			
Licenses, fees and permits	$	$ 9	$
Federal government		16,572,330	11,544,346
Interest income		7,273	
Departmental services		3,393	193,377
Rental income		305,066	
Other		249,624	31,703
Total Revenues		17,137,695	11,769,426
Expenditures:			
Health and social services		17,228,138	11,347,192
Excess of Revenues over (under) Expenditures		(90,443)	422,234
Other Financing Sources (Uses):			
Operating transfers in		5,029,057	
Operating transfers out		(4,037,900)	(197,154)
Net Other Financing Sources (Uses)		991,157	(197,154)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		900,714	225,080
Fund Balances July 1, as Restated	438,566	335,431	(392,690)
Residual Equity Transfer Out	(438,566)		
Increase (Decrease) in Reserve for Inventories		3,010	
Fund Balances June 30	$ 0	$ 1,239,155	$ (167,610)

Department of Mental Health		Employment Security Commission	Department of Health		Totals for the Year Ended	
Alcohol and Drug Abuse Program	Social Services	Employment Services	Domestic Violence	Other	June 30, 1987	June 30, 1986
$	$ 243,192	$ 2,371,275	$ 325,409	$	$ 2,939,885	$ 1,336,170
		26,589,512			54,706,188	58,294,440
	929			837	9,039	1,199
	185,194				381,964	146,353
					305,066	
	21,476	553,215		27,222	883,240	1,028,992
	450,791	29,514,002	325,409	28,059	59,225,382	60,807,154
1,512,359	440,294	45,315,202	264,820	15,188	76,123,193	79,879,021
(1,512,359)	10,497	(15,801,200)	60,589	12,871	(16,897,811)	(19,071,867)
2,570,149	4,027	26,302,414			33,905,647	31,336,596
(920,964)	(275)	(7,802,862)			(12,959,155)	(12,565,679)
1,649,185	3,752	18,499,552			20,946,492	18,770,917
136,826	14,249	2,698,352	60,589	12,871	4,048,681	(300,950)
3,366	36,054	2,861,374	142,243	22,254	3,446,598	3,707,138
					(438,566)	
		16,671		(17,117)	2,564	40,410
$ 140,192	$ 50,303	$ 5,576,397	$ 202,832	$ 18,008	$ 7,059,277	$ 3,446,598

Combining Balance Sheet
Law, Justice and Public Safety
June 30, 1987

	Attorney General		Department of Corrections		
	Medicaid	Other	Community Services	Inmate Welfare and Training	Discharged Offenders
Assets:					
Cash and cash equivalents	$ 38,073	$	$ 279,677	$ 224,229	$ 11,892
Receivables, net:					
interest					
Due from other governments	14,212				
Other				19,047	
Interfund receivables					
Inventories					
Total Assets	$ 52,285	$	$ 279,677	$ 243,276	$ 11,892
Liabilities:					
Warrants payable	$ 31,730	$	$ 38,430	$	$ 7,972
Accounts payable and accruals	3,245		21,915	29,201	
Due to other governments			10		
Interfund payables	71		2,026		
Deferred revenues	8,111				
Other liabilities					
Total Liabilities	43,157		62,381	29,201	7,972
Fund Balances:					
Reserved for:					
Encumbrances			3,091	39,446	
Inventories					
Other specific purposes					
Unreserved:					
Undesignated	9,128		214,205	174,629	3,920
Total Fund Balances	9,128		217,296	214,075	3,920
Total Liabilities and Fund Balances	$ 52,285	$	$ 279,677	$ 243,276	$ 11,892

Military Department							Totals	
Camp Shelby Timber	Facility Maintenance and Operation	Camp Shelby Base Operation	Equipment Pool	National Guard Recreation	Air National Guard Training Site Operation	**Other**	June 30, 1987	June 30, 1986
$ 433,779	$ 255,033	$ 1,099,607	$ 108,876	$ 45,423	$ 69,377	$ 98,852	$ 2,664,818	$ 3,607,677
705							705	1,954
	45,306	181,396			8,884		249,798	81,133
							19,047	173,286
		434					434	47,496
		595,187					595,187	489,577
$ 434,484	$ 300,339	$ 1,876,624	$ 108,876	$ 45,423	$ 78,261	$ 98,852	$ 3,529,989	$ 4,401,123
$ 21,686	$ 161,961	$ 468,560	$ 39,659	$ 597	$ 58,960	$	$ 829,555	$ 753,223
41,132	16,211	163,866	36,114			43,512	355,196	342,847
		1,933					1,943	2,511
184	11,286	26,641	3,310	434	4,795		48,747	129,371
	96,766	533,246	21,539		4,334		663,996	730,740
								9,418
63,002	286,224	1,194,246	100,622	1,031	68,089	43,512	1,899,437	1,968,110
5,391	288	51,940					100,156	312,080
		595,187					595,187	489,577
								10,057
366,091	13,827	35,251	8,254	44,392	10,172	55,340	935,209	1,621,299
371,482	14,115	682,378	8,254	44,392	10,172	55,340	1,630,552	2,433,013
$ 434,484	$ 300,339	$ 1,876,624	$ 108,876	$ 45,423	$ 78,261	$ 98,852	$ 3,529,989	$ 4,401,123

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Law, Justice and Public Safety
For the Year Ended June 30, 1987

	Attorney General		Department of Corrections		
	Medicaid	Other	Community Services	Inmate Welfare and Training	Discharged Offenders
Revenues:					
Licenses, fees and permits	$	$	$ 1,122,402	$	$
Federal government	369,428				
Interest income			235	10,112	578
Departmental services				225,270	
Other				15,479	1,558
Total Revenues	369,428		1,122,637	250,861	2,136
Expenditures:					
Law, justice and public safety	378,419		467,456	280,908	170,203
Excess of Revenues over (under) Expenditures	(8,991)		655,181	(30,047)	(168,067)
Other Financing Sources (Uses):					
Operating transfers in	15,000			85,729	131,220
Operating transfers out			(998,232)		
Net Other Financing Sources (Uses)	15,000		(998,232)	85,729	131,220
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	6,009		(343,051)	55,682	(36,847)
Fund Balances July I	3,119	125,347	560,347	158,393	40,767
Residual Equity Transfer Out		(125,347)			
Increase in Reserve for Inventories					
Fund Balances June 30	$ 9,128	$ 0	$ 217,296	$ 214,075	$ 3,920

Military Department							Totals for the Year Ended	
Camp Shelby Timber	Facility Maintenance and Operation	Camp Shelby Base Operation	Equipment Pool	National Guard Recreation	Air National Guard Training Site Operation	**Other**	June 30, 1987	June 30, 1986
$	$	$	$	$	$	$ 56,345	$ 1,178,747	$ 857,392
	2,795,890	5,550,104	869,076		749,112		10,333,610	10,626,787
11,277						385	22,587	42,816
103,404		1,010,333		9,057		9,844	1,357,908	774,443
5,237	3,135	32,716				30,551	88,676	274,410
119,918	2,799,025	6,593,153	869,076	9,057	749,112	97,125	12,981,528	12,575,848
460,275	3,273,341	6,741,028	868,811	5,068	749,112	29,048	13,423,669	13,263,554
(340,357)	(474,316)	(147,875)	265	3,989	0	68,077	(442,141)	(687,706)
	471,637					6,256	709,842	971,061
(306)						(51,887)	(1,050,425)	(6,521)
(306)	471,637					(45,631)	(340,583)	964,540
(340,663)	(2,679)	(147,875)	265	3,989		22,446	(782,724)	276,834
712,145	16,794	724,643	7,989	40,403	10,172	32,894	2,433,013	2,112,477
							(125,347)	
		105,610					105,610	43,702
$ 371,482	$ 14,115	$ 682,378	$ 8,254	$ 44,392	$ 10,172	$ 55,340	$ 1,630,552	$ 2,433,013

Combining Balance Sheet
Recreation and Resources Development
June 30, 1987

	Department of Agriculture and Commerce				
	Rice Promotion	Soybean Promotion	Other	Forestry Commission	Oil and Gas Board
Assets					
Cash and cash equivalents	$ 25,711	$ 70,069	$ 20,064	$ 344,033	$ 1,231,426
Receivables, net:					
Interest				1,039	
Due from other governments					
Other					3,166
Interfund receivables	693	17,134			
Inventories					
Total Assets	$ 26,404	$ 87,203	$ 20,064	$ 345,072	$ 1,234,592
Liabilities:					
Warrants payable	$ 24,753	$ 5,074	$ 4,129	$ 10,172	$ 98,541
Accounts payable and accruals		64,995	170	14	618
Due to other governments					
Interfund payables					3,951
Deferred revenues					
Total Liabilities	24,753	70,069	4,299	10,186	103,110
Fund Balances:					
Reserved for:					
Encumbrances					
Inventories					
Unreserved:					
Undesignated	1,651	17,134	15,765	334,886	1,131,482
Total Fund Balances	1,651	17,134	15,765	334,886	1,131,482
Total Liabilities and Fund Balances	$ 26,404	$ 87,203	$ 20,064	$ 345,072	$ 1,234,592

Department of Wildlife Conservation and Marine Resources							Totals	
Museum of Natural Science	Bureau of Fisheries and Wildlife	Admin-istrative	Motor Vehicle	Bureau of Marine Resources	Other	**Other**	June 30, 1987	June 30, 1986
$ 86,851	$ 9,304,276	$ 203,660	$ 972,496	$ 168,847	$ 2,280,123	$ 147,101	$ 14,854,657	$ 16,135,747
	66,911		2,341		12,333		82,624	64,414
28,597	1,109,764			98,737		5,000	1,242,098	476,339
3	5,762	21		330		455	9,737	3,405
35,000	3,750			50,000			106,577	71,039
	43,042						43,042	
$ 150,451	$ 10,533,505	$ 203,681	$ 974,837	$ 317,914	$ 2,292,456	$ 152,556	$ 16,338,735	$ 16,750,944
$ 45,170	$ 835,977	$ 121,253	$	$ 161,712	$ 19,558	$ 2,408	$ 1,328,747	$ 1,048,263
37,064	248,336	33,474		39,106	10,153	267	434,197	724,821
								15,512
19,815	270,769	11,292		18,872		4,535	329,234	245,630
10,650	388,751			5,343			404,744	367,209
112,699	1,743,833	166,019		225,033	29,711	7,210	2,496,922	2,401,435
12,972	192,459	25,755	72,637	695	5,291		309,809	300,892
	43,042						43,042	
24,780	8,554,171	11,907	902,200	92,186	2,257,454	145,346	13,488,962	14,048,617
37,752	8,789,672	37,662	974,837	92,881	2,262,745	145,346	13,841,813	14,349,509
$ 150,451	$ 10,533,505	$ 203,681	$ 974,837	$ 317,914	$ 2,292,456	$ 152,556	$ 16,338,735	$ 16,750,944

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Recreation and Resources Development
For the Year Ended June 30, 1987

	Department of Agriculture and Commerce				
	Rice Promotion	Soybean Promotion	Other	Forestry Commission	Oil and Gas Board
Revenues:					
Licenses, fees and permits	$ 475,049	$ 326,207	$ 1,986	$	$ 1,230,382
Federal government					
Interest income				4,449	
Departmental services			7,758		
Other				56,848	
Total Revenues	475,049	326,207	9,744	61,297	1,230,382
Expenditures:					
Recreation and resources development	490,542	329,107	121,626	22,342	1,130,582
Excess of Revenues over (under) Expenditures	(15,493)	(2,900)	(111,882)	38,955	99,800
Other Financing Sources (Uses):					
Operating transfers in			118,413		
Operating transfers out			(24,779)		
Net Other Financing Sources (Uses)			93,634		
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(15,493)	(2,900)	(18,248)	38,955	99,800
Fund Balances July 1	17,144	20,034	34,013	295,931	1,031,682
Increase in Reserve for Inventories					
Fund Balances June 30	$ 1,651	$ 17,134	$ 15,765	$ 334,886	$ 1,131,482

Department of Wildlife Conservation and Marine Resources							Totals for the Year Ended	
Museum of Natural Science	Bureau of Fisheries and Wildlife	Admin-istrative	Motor Vehicle	Bureau of Marine Resources	Other	**Other**	June 30, 1987	June 30, 1986
$	$ 6,503,853	$	$ 525,201	$	$ 273,310	$ 129,543	$ 9,465,531	$ 10,582,219
123,304	3,798,349			1,053,420	22,941		4,998,014	3,608,651
	527,140		56,491		91,015	1,465	680,560	767,450
3,390	372,952	4,171	339,125	10,596	31,748	3,702	773,442	688,647
8,480	73,624	372		117	45,386	20,260	205,087	367,060
135,174	11,275,918	4,543	920,817	1,064,133	464,400	154,970	16,122,634	16,014,027
638,868	10,153,332	1,723,873	957,092	2,377,387	299,832	53,446	18,298,029	18,010,269
(503,694)	1,122,586	(1,719,330)	(36,275)	(1,313,254)	164,568	101,524	(2,175,395)	(1,996,242)
539,737	675,102	1,700,000		1,228,889			4,262,141	4,124,058
(12,854)	(2,502,109)			(3,258)	(18,283)	(76,201)	(2,637,484)	(1,444,373)
526,883	(1,827,007)	1,700,000		1,225,631	(18,283)	(76,201)	1,624,657	2,679,685
23,189	(704,421)	(19,330)	(36,275)	(87,623)	146,285	25,323	(550,738)	683,443
14,563	9,451,051	56,992	1,011,112	180,504	2,116,460	120,023	14,349,509	13,666,066
	43,042						43,042	
$ 37,752	$ 8,789,672	$ 37,662	$ 974,837	$ 92,881	$ 2,262,745	$ 145,346	$ 13,841,813	$ 14,349,509

Combining Balance Sheet
Regulation of Business and Professions
June 30, 1987

	Public Service Commission	Workers' Compensation Commission	Department of Banking and Consumer Finance	
			Bank Supervision Administrative	Consumer Finance
Assets:				
Cash and cash equivalents	$ 5,288,010	$ 3,602,762	$ 1,179,994	$ 496,651
Receivables, net:				
Interest		4,427		
Due from other governments	115,498			
Other	277,990	40,775	425	
Interfund receivables	97,666			
Inventories				
Other assets				
Total Assets	$ 5,779,164	$ 3,647,964	$ 1,180,419	$ 496,651
Liabilities:				
Warrants payable	$	$ 186,706	$ 108,132	$ 16,966
Accounts payable and accruals	36,962	12,698	2,150	973
Interfund payables	2,523,311	9,729	3,287	810
Deferred revenues	3,038,859			
Other liabilities				
Total Liabilities	5,599,132	209,133	113,569	18,749
Fund Balances:				
Reserved for:				
Encumbrances		4,653		
Inventories				
Unreserved:				
Undesignated	180,032	3,434,178	1,066,850	477,902
Total Fund Balances	180,032	3,438,831	1,066,850	477,902
Total Liabilities and Fund Balances	$ 5,779,164	$ 3,647,964	$ 1,180,419	$ 496,651

Other Regulatory Agencies	Totals	
	June 30, 1987	June 30, 1986
$ 4,499,575	$ 15,066,992	$ 14,563,773
1,841	6,268	2,791
	115,498	
58,902	378,092	13,088
	97,666	579,510
1,052	1,052	624
		60
$ 4,561,370	$ 15,665,568	$ 15,159,846
$ 201,538	$ 513,342	$ 716,969
100,232	153,015	205,102
7,889	2,545,026	3,040,961
71,230	3,110,089	2,065,935
		629
380,889	6,321,472	6,029,596
	4,653	27,700
1,052	1,052	624
4,179,429	9,338,391	9,101,926
4,180,481	9,344,096	9,130,250
$ 4,561,370	$ 15,665,568	$ 15,159,846

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Regulation of Business and Professions
For the Year Ended June 30, 1987

			Department of Banking and Consumer Finance	
	Public Service Commission	Workers' Compensation Commission	Bank Supervision Administrative	Consumer Finance
Revenues:				
Taxes	$ 175,000	$	$	$
Licenses, fees and permits	5,713,772	2,733,881	1,260,465	357,423
Federal government	156,733			
Interest income		101,095		
Departmental services	1,363	4,452		
Other	3,392	8,848	2,013	
Total Revenues	6,050,260	2,848,276	1,262,478	357,423
Expenditures:				
Regulation of business and professions	3,822,748	2,384,843	1,445,040	263,378
Excess of Revenues over (under) Expenditures	2,227,512	463,433	(182,562)	94,045
Other Financing Sources (Uses):				
Operating transfers out	(2,500,000)			
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(272,488)	463,433	(182,562)	94,045
Fund Balances July 1	452,520	2,975,398	1,249,412	383,857
Increase (Decrease) in Reserve for Inventories				
Fund Balances June 30	$ 180,032	$ 3,438,831	$ 1,066,850	$ 477,902

Other Regulatory Agencies	Totals for the Year Ended	
	June 30, 1987	June 30, 1986
$	$ 175,000	$ 175,000
3,896,717	13,962,258	14,047,697
	156,733	96,258
27,869	128,964	148,363
22,767	28,582	47,571
42,473	56,726	29,211
3,989,826	14,508,263	14,544,100
3,775,225	11,691,234	11,991,342
214,601	2,817,029	2,552,758
(103,611)	(2,603,611)	(3,080,000)
110,990	213,418	(527,242)
4,069,063	9,130,250	9,657,520
428	428	(28)
$ 4,180,481	$ 9,344,096	$ 9,130,250

Combining Balance Sheet
Transportation
June 30, 1987

	Aeronautics Commission	Department of Energy and Transportation: Energy and Transportation	Department of Energy and Transportation: Railroad Loan	Totals: June 30, 1987	Totals: June 30, 1986
Assets:					
Cash and cash equivalents	$ 114,175	$ 15,423,814	$ 1,459,974	$ 16,997,963	$ 3,491,011
Receivables, net:					
Interest		53,548	6,461	60,009	18,206
Due from other governments		205,690		205,690	476,881
Other		72,035		72,035	
Interfund receivables	16,966	45,917	6,776	69,659	73,964
Loans and notes receivable			1,081,111	1,081,111	1,122,054
Total Assets	$ 131,141	$ 15,801,004	$ 2,554,322	$ 18,486,467	$ 5,182,116
Liabilities:					
Warrants payable	$ 18,954	$ 657,270	$ 28,751	$ 704,975	$ 249,921
Accounts payable and accruals	1,535	92,553		94,088	126,273
Due to other governments					446,023
Interfund payables		135,000	45,917	180,917	91,239
Deferred revenues		7,898		7,898	
Total Liabilities	20,489	892,721	74,668	987,878	913,456
Fund Balances:					
Reserved for:					
Encumbrances		537,967	21,297	559,264	638,200
Long-term portion of loans and notes receivable			848,966	848,966	848,966
Unreserved:					
Undesignated	110,652	14,370,316	1,609,391	16,090,359	2,781,494
Total Fund Balances	110,652	14,908,283	2,479,654	17,498,589	4,268,660
Total Liabilities and Fund Balances	$ 131,141	$ 15,801,004	$ 2,554,322	$ 18,486,467	$ 5,182,116

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Transportation
For the Year Ended June 30, 1987

	Aeronautics Commission	Department of Energy and Transportation: Energy and Transportation	Department of Energy and Transportation: Railroad Loan	Totals for the Year Ended: June 30, 1987	Totals for the Year Ended: June 30, 1986
Revenues:					
Federal government	$	$ 4,266,331	$	$ 4,266,331	$ 5,504,003
Interest income		722,708	53,729	776,437	170,322
Departmental services		20		20	2,592
Other		217,542		217,542	325,897
Total Revenues		5,206,601	53,729	5,260,330	6,002,814
Expenditures:					
Transportation	167,262	8,902,202		9,069,464	7,322,142
Excess of Revenues over (under) Expenditures	(167,262)	(3,695,601)	53,729	(3,809,134)	(1,319,328)
Other Financing Sources (Uses):					
Operating transfers in	139,815	17,477,213		17,617,028	828,574
Operating transfers out		(577,965)		(577,965)	(13,853)
Net Other Financing Sources	139,815	16,899,248		17,039,063	814,721
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(27,447)	13,203,647	53,729	13,229,929	(504,607)
Fund Balances July 1, as Restated	138,099	1,704,636	2,425,925	4,268,660	4,773,267
Fund Balances June 30	$ 110,652	$ 14,908,283	$ 2,479,654	$ 17,498,589	$ 4,268,660

Debt Service Funds

Debt service funds account for accumulation of resources for, and the payment of, principal and interest on general long-term obligations.

Debt Service Funds Descriptions

Highway Revenue Refunding Bond Retirement and Interest Fund — accounts for payment of principal and interest on revenue refunding bonds issued in October, 1985 to refund outstanding highway bonds previously issued. Revenue is provided by gasoline tax allocations transferred from the General Fund.

Port Development (Litton) Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction, expansion, and facilities improvement at the Port Authority in Jackson County. Revenue consists of lease payments received from the Ingalls Shipbuilding Division of Litton Industries, Inc. These payments are unconditionally guaranteed by Litton Industries, Inc.

Public School Building Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction of public school buildings. Funding consists of transfers from the General Fund.

Seed Testing Laboratory Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction of the seed testing laboratory at the Division of Plant Industry. Funding is provided by fees charged for testing seeds.

Fire Academy Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction at the State Fire Academy. Revenue is provided by transfers from the General Fund of a premium tax on multiperil insurance.

Tennessee-Tombigbee River Bridge Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued for construction of the Tennessee-Tombigbee Waterway Bridge. Funding sources include the Tennessee Valley Authority, ad valorem taxes, and investment income.

State Office Facilities Bond Retirement and Interest Fund — Accounts for payment of principal and interest on bonds issued to purchase two office buildings and a warehouse.

State Aid Road Bond Retirement and Interest Fund — accounts for payment of principal and interest on bonds issued to construct state and county roads. Funding consists of transfers from the General Fund.

Combining Balance Sheet
June 30, 1987

	Highway Revenue Refunding Bond Retirement and Interest	Port Development Bond Retirement and Interest	Public School Building Bond Retirement and Interest	Seed Testing Laboratory Bond Retirement and Interest
Assets:				
Cash and cash equivalents	$ 27,123,979	$ 10,759	$ 4,971,593	$ 21,030
Investments	51,863,000			
Receivables, net	742,949			
Interfund receivables	3,422,931			
Note receivable		68,870,000		
Total Assets	$ 83,152,859	$ 68,880,759	$ 4,971,593	$ 21,030
Liabilities:				
Warrants payable	$ 2,604	$	$ 2,361,034	$ 510
Accounts payable				
Interfund payables	278,034			
Total Liabilities	280,638		2,361,034	510
Fund Balances:				
Reserved for long-term note receivable		68,870,000		
Unreserved, designated for debt service	82,872,221	10,759	2,610,559	20,520
Total Fund Balances	82,872,221	68,880,759	2,610,559	20,520
Total Liabilities and Fund Balances	$ 83,152,859	$ 68,880,759	$ 4,971,593	$ 21,030

Fire Academy Bond Retirement and Interest	Office Facilities Bond Retirement and Interest	State Aid Road Bond Retirement and Interest	Totals	
			June 30, 1987	June 30, 1986
$ 1,445,247	$ 193,322	$ 1,806,990	$ 35,572,920	$ 69,426,157
			51,863,000	22,700,999
	63		743,012	602,186
193,653			3,616.584	3,458,245
			68,870,000	77,365,000
$ 1,638,900	$ 193,385	$ 1,806,990	$ 160,665,516	$ 173,552,587
$	$	$ 101,450	$ 2,465,598	$ 631,889
				6,000
			278,034	288,508
		101,450	2,743,632	926,397
			68,870,000	72,325,759
1,638,900	193,385	1,705,540	89,051,884	100,300,431
1,638,900	193,385	1,705,540	157,921,884	172,626,190
$ 1,638,900	$ 193,385	$ 1,806,990	$ 160,665,516	$ 173,552,587

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1987

	Highway Revenue Refunding Bond Retirement and Interest	Port Development Bond Retirement and Interest	Public School Building Bond Retirement and Interest	Seed Testing Laboratory Bond Retirement and Interest
Revenues:				
Fees	$	$	$	$
Interest	4,240,286	3,732,622		
Rentals				
TVA payments in lieu of taxes				
Other	123			
Total Revenues	4,240,409	3,732,622		
Expenditures:				
Debt service:				
Bond principal retirement	5,975,000	8,495,000	5,590,000	20,000
Interest and other fiscal charges	13,467,898	3,732,622	3,577,804	1,520
Total Expenditures	19,442,898	12,227,622	9,167,804	21,520
Excess of Revenues over (under) Expenditures	(15,202,489)	(8,495,000)	(9,167,804)	(21,520)
Other Financing Sources (Uses):				
Proceeds of bond issues and refunding bonds				
Payments to refunded bond escrow agent				
Reduction in carrying value of investment securities in connection with bond refunding				
Operating transfers in	43,158,285		9,756,769	24,273
Operating transfers out	(2,202,591)			
Net Other Financing Sources (Uses)	40,955,694		9,756,769	24,273
Excess of Revenues and Other Sources over (under) Expenditures and other Uses	25,753,205	(8,495,000)	588,965	2,753
Fund Balances July 1, as Restated	57,119,016	77,375,759	2,021,594	17,767
Fund Balances June 30	$ 82,872,221	$ 68,880,759	$ 2,610,559	$ 20,520

Fire Academy Bond Retirement and Interest	Tennessee-Tombigbee River Bridge Bond Retirement and Interest	Office Facilities Bond Retirement and Interest	State Aid Road Bond Retirement and Interest	Totals for the Year Ended	
				June 30, 1987	June 30, 1986
$	$	$	$	$	$ 15,000
	406,760	738		8,380,406	12,935,071
		259,845		259,845	
	11,285,411			11,285,411	11,249,406
				123	79,448
	11,692,171	260,583		19,925,785	24,278,925
310,000	10,590,000		3,420,000	34,400,000	40,058,213
99,150	486,590	74,198	2,741,557	24,181,339	32,853,407
409,150	11,076,590	74,198	6,161,557	58,581,339	72,911,620
(409,150)	615,581	186,385	(6,161,557)	(38,655,554)	(48,632,695)
					196,426,254
					(313,279,323)
					(31,969,458)
1,071,898		7,000	6,134,241	60,152,466	65,437,184
(200)	(33,998,427)			(36,201,218)	
1,071,698	(33,998,427)	7,000	6,134,241	23,951,248	(83,385,343)
662,548	(33,382,846)	193,385	(27,316)	(14,704,306)	(132,018,038)
976,352	33,382,846		1,732,856	172,626,190	304,644,228
$ 1,638,900	$ 0	$ 193,385	$ 1,705,540	$ 157,921,884	$ 172,626,190

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Capital Projects Funds

Capital projects funds account for the acquisition or construction of major governmental general fixed assets.

Capital Projects Funds Descriptions

Employment Security Commission	**Land and Building Fund** — accounts for monies received from the federal government to purchase land and buildings for the Employment Security Commission.
Military Department	**Mississippi National Guard Armory Fund** — accounts for state funding for construction of new armories.
Bureau of Building, Grounds and Real Property Management	**Construction and Improvement Fund** — accounts for bond proceeds and local, state, and federal funding for the construction, renovation, and repair of buildings and the purchase of equipment to be used by various state agencies and educational institutions.
	Fire Academy Fund — accounts for bond proceeds used to construct facilities for the State Fire Academy.
	Parks Construction Fund — accounts for bond proceeds received for the construction of facilities at the various state parks for the Department of Natural Resources.

Capital Projects Funds

Combining Balance Sheet
June 30, 1987

	Military Dept.	Bureau of Building, Grounds and Real Property Management		
	National Guard Armory	Construction and Improvement	Fire Academy	Parks
Assets:				
Cash and cash equivalents	$ 7,671	$ 16,241,343	$ 1,993,633	$ 2,052,779
Interfund receivables		1,436,667		
Total Assets	$ 7,671	$ 17,678,010	$ 1,993,633	$ 2,052,779
Liabilities:				
Warrants payable	$ 319	$ 274,357	$	$ 1,955
Construction contracts payable	7,352			
Deferred revenues		72,035		
Total Liabilities	7,671	346,392		1,955
Fund Balances:				
Unreserved, designated for future capital projects		17,331,618	1,993,633	2,050,824
Total Liabilities and Fund Balances	$ 7,671	$ 17,678,010	$ 1,993,633	$ 2,052,779

State of Mississippi

Capital Projects Funds

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
For the Year Ended June 30, 1987

	Employment Security Commission	Military Department
	Land and Building	National Guard Armory
Revenues:		
Criminal and defendant bond fees	$	$
Other		
Total Revenues		
Expenditures:		
Capital outlay	159,983	27,500
Excess (Deficiency) of Revenues over Expenditures	(159,983)	(27,500)
Other Financing Sources (Uses):		
Proceeds from general obligation bond issues		
Operating transfers in	159,983	27,500
Operating transfers out		
Net Other Financing Sources (Uses)	159,983	27,500
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		
Fund Balances July 1		
Fund Balances June 30	$ 0	$ 0

Totals	
June 30, 1987	June 30, 1986
$ 20,295,426	$ 19,895,396
1,436,667	2,777,193
$ 21,732,093	$ 22,672,589
$ 276,631	$ 440,375
7,352	
72,035	
356,018	440,375
21,376,075	22,232,214
$ 21,732,093	$ 22,672,589

Bureau of Building, Grounds and Real Property Management			Totals for the Year Ended	
Construction and Improvement	Fire Academy	Parks	June 30, 1987	June 30, 1986
$ 3,440,390	$	$	$ 3,440,390	$ 273,540
17,726			17,726	3,784
3,458,116			3,458,116	277,324
22,433,854	206,367	1,085,009	23,912,713	24,821,686
(18,975,738)	(206,367)	(1,085,009)	(20,454,597)	(24,544,362)
2,485,000			2,485,000	2,200,000
29,500,225			29,687,708	25,779,726
(12,574,250)			(12,574,250)	(3,747,404)
19,410,975			19,598,458	24,232,322
435,237	(206,367)	(1,085,009)	(856,139)	(312,040)
16,896,381	2,200,000	3,135,833	22,232,214	22,544,254
$ 17,331,618	$ 1,993,633	$ 2,050,824	$ 21,376,075	$ 22,232,214

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Enterprise Funds

Enterprise funds account for the operations of the State that provide goods or services to the general public on a user charge basis.

Enterprise Funds Descriptions

Department of Economic Development	**Certified Development Company, Inc.** — provides loans to nonagricultural small businesses.
Fair Commission	**Fair Commission Fund** — accounts for expenses of the Fair Commission's operation of the coliseum, Dixie National Livestock Show, and Industrial Showcase Building, including payment of maturing bond interest and principal. Funding sources include gross receipts from the state fair, livestock show, Industrial Building, and other events conducted at the coliseum and fairgrounds, as well as operating transfers from the General Fund and proceeds from bond issues.
Department of Natural Resources	**Water Pollution Abatement Revolving Loan Fund** — provides loans to municipalities for water pollution control projects. Revenue is derived from interest earned on loans.
Veterans' Home Purchase Board	**Veterans' Home Purchase Board Fund** — provides home mortgage loans to qualified Mississippi veterans and accounts for administrative expenses of the Veterans' Home Purchase Board. Revenue is derived from interest earned on loans.
Veterans' Memorial Stadium Commission	**Veterans' Memorial Stadium Commission Fund** — accounts for operations of the Veterans' Memorial Stadium in Jackson, including the payment of maturing bond interest and principal. Funding is provided by admission fees and concessions.
Port Authority at Gulfport	**Port Authority at Gulfport Fund** — accounts for operations of a public port providing facilities for foreign and domestic trade. Funding is provided by gross receipts from port operations, proceeds from bond issues, and interest income. Expenses include port operation, construction, and the payment of maturing bond interest and principal.
Mississippi Housing Finance Corporation	**Mississippi Housing Finance Corporation Fund** — provides monies to finance the acquisition, construction, rehabilitation, and improvement of residential housing for lower and moderate income families within the State. Funding is derived from interest earned on mortgage loans, investment income, and proceeds from the issuance of revenue bonds.
Mississippi Industries for the Blind	**Mississippi Industries for the Blind Fund** — accounts for expenses relating to the establishment of industries, businesses, shops, and workshops primarily for the employment of blind persons, the procurement of materials for use in rehabilitating blind persons for employment, and the employment of blind persons and the marketing of their products. Revenue is derived principally from the sale of goods manufactured.

Mississippi Hospital Equipment Financing Authority	**Mississippi Hospital Equipment Financing Authority Fund** — accounts for the proceeds of bond issuances used primarily for the purpose of paying for or making loans to participating Mississippi hospital institutions for financing or refinancing of all or any part of the cost of hospital equipment and for refunding outstanding bonds. Expenses include administrative and bond issuance costs. Additional funding is provided by interest on loans and investments.

Other Enterprise Operations

Department of Agriculture and Commerce	**Division of Lime Fund** — accounts for all revenues and expenses from the operation of three lime plants. Operating expenses include royalties paid to owners of the land from which the lime is extracted. Revenue is derived from the sale of lime to the public. **Authority for Control of Fire Ants Fund** — was dissolved with cash and cash equivalents transferred to the State General Fund and fixed assets transferred to the Department of Agriculture and Commerce. **Farmers' Central Market Board Fund** — accounts for the construction, maintenance, and operation of facilities for processing, storing, and marketing agricultural products. Funding is derived from rental income.
Department of Public Safety	**Commissary Fund** — accounts for the operations of a commissary maintained at the Mississippi Law Enforcement Training Academy.
Department of Corrections	**Prison Industries Fund** — accounts for a janitorial supplies production operation, a garden operation, a book bindery, and a timber cutting operation. Revenue sources include proceeds from the sale of janitorial supplies, garden produce and firewood, fees collected for bindery services, and rental income from leased Department of Corrections' land. **Lake Lodge Fund** — accounts for operations of a cafeteria maintained for the convenience of Department of Corrections penitentiary employees. **Commissary Fund** — accounts for operations of the commissary. Profits are used for the special benefit of the penitentiary's residents.
Bureau of Surplus Property	**Bureau of Surplus Property Fund** — receives and maintains an inventory of surplus federal property and redistributes it to state agencies and departments, counties, municipalities, and other eligible donees with the State. Fees are collected from the donees to offset operating costs.

Yellow Creek Inland Port Authority	**Yellow Creek Inland Port Authority Fund** — accounts for operations of a public port facility at the conjunction of the Tennessee River and Yellow Creek in Tishomingo County, Mississippi. All costs of operating this port are accounted for in this fund, including construction costs and the payment of maturing bond interest and principal. Funding is provided by gross receipts from port operations, proceeds from bond issues, and interest income.
Department of Rehabilitation Services	**Allied Enterprises Fund** — accounts for a statewide system of sheltered workshop facilities through which handicapped citizens receive work experience to prepare them for employment outside of the Allied Enterprises setting. Revenue is generated from the sale of goods and services and operating transfers from the rehabilitation services fund.

All Enterprise Funds

Combining Balance Sheet
June 30, 1987

	Department of Economic Development		Department of Natural Resources		
	Certified Development Company, Inc.	**Fair Commission**	Water Pollution Abatement Revolving Loan	**Veterans' Home Purchase Board**	**Veterans' Memorial Stadium Commission**
Assets:					
Current assets:					
Cash and cash equivalents	$ 6,287,150	$ 1,071,269	$ 3,166,720	$ 4,457,950	$ 1,317,562
Receivables, net:					
Accounts	9,758	32,134			
Interest	45,553			315,000	2,717
Loans and notes - current portion	104,829			1,892,000	
Due from other governments - current portion			3,106,867		
Interfund receivables	22,212				504,668
Inventories					
Prepaid expenses		2,488		50,000	
Other					
Total Current Assets	6,469,502	1,105,891	6,273,587	6,714,950	1,824,947
Restricted assets		1,032,741			
Long-term investments					
Loans receivable, net of current portion				47,202,536	
Due from other governments, net of current portion			29,072,030		
Other long-term assets					
Land		945,130			143,000
Buildings and improvements, net		4,462,504			3,663,795
Machinery and equipment, net	6,135	204,410		15,332	18,456
Construction in progress		726,389			
Total Assets	$ 6,475,637	$ 8,477,065	$ 35,345,617	$ 53,932,818	$ 5,650,198
Liabilities:					
Current liabilities:					
Warrants payable	$ 2,305	$ 50,896	$ 989,869	$ 390,645	$ 21,451
Accounts payable and accruals	78,966	78,472		609,024	32,940
Due to other governments			835,396		
Interfund payables		133,476			969
Loans and notes payable - current portion					
Current portion of long-term general obligation bonds					140,000
Current portion of long-term revenue bonds					
Deferred revenues	86,810				
Other liabilities	175,333	554			
Total Current Liabilities	343,414	263,398	1,825,265	999,669	195,360
Liabilities payable from restricted assets:					
Accrued interest payable		13,018			
Revenue bonds payable - current		81,000			
Loans and notes payable, net of current portion					1,000,000
Loans from other funds					
Long-term obligation - general obligation bonds payable, net of current portion and unamortized discount					2,490,000
Long-term obligation - revenue bonds payable, net of current portion and unamortized discount		1,761,000			
Other obligations					
Total Liabilities	343,414	2,118,416	1,825,265	999,669	3,685,360
Fund Equity:					
Contributed capital	4,995,426		31,728,440	9,600,000	
Retained earnings:					
Reserved for:					
Bond retirement		938,723			
Unreserved	1,136,797	5,419,926	1,791,912	43,333,149	1,964,838
Total Fund Equity	6,132,223	6,358,649	33,520,352	52,933,149	1,964,838
Total Liabilities and Fund Equity	$ 6,475,637	$ 8,477,065	$ 35,345,617	$ 53,932,818	$ 5,650,198

Port Authority at Gulfport	Mississippi Housing Finance Corporation	Mississippi Industries for the Blind	Mississippi Hospital Equipment Financing Authority	Other	Totals	
					June 30, 1987	June 30, 1986
$ 1,810,529	$ 148,412	$ 1,281,866	$ 68,337,108	$ 6,957,777	$ 94,836,343	$ 37,655,277
329,584		1,702,978	18,789	843,099	2,936,342	3,013,423
3,834	14,682,154	2,395	298,838		15,350,491	13,827,212
28,478	15,800,552		4,092,051		21,917,910	17,871,251
				35,825	3,142,692	2,594,028
		5,303		115,232	647,415	470,976
		2,714,819		393,272	3,108,091	3,209,503
12,546		25,557		24	90,615	84,476
	826,595				826,595	89,492
2,184,971	31,457,713	5,732,918	72,746,786	8,345,229	142,856,494	78,815,638
					1,032,741	2,060,975
	289,373,215				289,373,215	176,201,527
159,697	444,082,319		19,653,698		511,098,250	430,270,547
					29,072,030	26,951,435
	1,207,274		1,367,478		2,574,752	1,737,939
24,000		12,500		1,087,455	2,212,085	2,215,340
12,251,070		616,497		1,765,064	22,758,930	23,720,031
2,396,527		692,493		1,984,622	5,317,975	5,328,711
3,068,730					3,795,119	2,625,520
$ 20,084,995	$ 766,120,521	$ 7,054,408	$ 93,767,962	$ 13,182,370	$ 1,010,091,591	$ 749,927,663
$ 69,018	$	$	$	$ 88,053	$ 1,612,237	$ 452,026
235,497	24,122,791	1,138,632	1,230,807	332,319	27,859,448	25,803,318
					835,396	400,000
		7,866		152,678	294,989	270,295
				8,500	8,500	33,580
1,185,000				115,000	1,440,000	1,300,000
	11,974,512		10,870,000		22,844,512	9,645,000
	4,463,003			53,351	4,603,164	2,600,640
12,612				12,950	201,449	341,022
1,502,127	40,560,306	1,146,498	12,100,807	762,851	59,699,695	40,845,881
					13,018	13,446
					81,000	86,000
				68,000	1,068,000	1,265,078
				119,613	119,613	
17,387,000				370,000	20,247,000	21,687,000
	703,351,029		80,900,000		786,012,029	557,713,272
66,522					66,522	22,964
18,955,649	743,911,335	1,146,498	93,000,807	1,320,464	867,306,877	621,633,641
		3,366,673		342,830	50,033,369	50,078,474
					938,723	1,961,529
1,129,346	22,209,186	2,541,237	767,155	11,519,076	91,812,622	76,254,019
1,129,346	22,209,186	5,907,910	767,155	11,861,906	142,784,714	128,294,022
$ 20,084,995	$ 766,120,521	$ 7,054,408	$ 93,767,962	$ 13,182,370	$ 1,010,091,591	$ 749,927,663

Combining Statement of Revenues, Expenses and Changes in Retained Earnings For the Year Ended June 30, 1987

	Department of Economic Development		**Department of Natural Resources**		
	Certified Development Company, Inc.	**Fair Commission**	Water Pollution Abatement Revolving Loan	**Veterans' Home Purchase Board**	**Veterans' Memorial Stadium Commission**
Operating Revenues:					
Charges for sales and services	$	$ 2,230,529	$	$	$ 762,364
Interest income	334,313			4,124,264	
Rental income					
Fee income	168,820				
Other		68,484	99,330	83,967	2,789
Total Operating Revenues	503,133	2,299,013	99,330	4,208,231	765,153
Operating Expenses:					
Cost of sales and services					
General and administrative	190,001	651,965		295,248	155,647
Contractual services	24,130	1,300,527	48,505	82,493	198,043
Commodities	1,934	114,397		12,081	51,955
Interest		159,716			182,850
Depreciation	4,017	261,636		927	221,465
Amortization of goodwill and bond issuance costs					
Other		412			54,305
Total Operating Expenses	220,082	2,488,653	48,505	390,749	864,265
Operating Income (Loss)	283,051	(189,640)	50,825	3,817,482	(99,112)
Nonoperating Revenues:					
Gain (loss) on disposal of assets	(37,395)				
Insurance recovery					
Other					
Interest income		76,400			88,292
Total Nonoperating Revenues	(37,395)	76,400			88,292
Nonoperating Expenses					
Income (Loss) Before Operating Transfers	245,656	(113,240)	50,825	3,817,482	(10,820)
Operating Transfers In					
Operating Transfers Out					
Net Income (Loss)	245,656	(113,240)	50,825	3,817,482	(10,820)
Retained Earnings July 1	891,141	6,471,889	1,741,087	39,515,667	1,975,658
Residual Equity Transfer Out					
Retained Earnings June 30	$ 1,136,797	$ 6,358,649	$ 1,791,912	$ 43,333,149	$ 1,964,838

Port Authority at Gulfport	Mississippi Housing Finance Corporation	Mississippi Industries for the Blind	Mississippi Hospital Equipment Financing Authority	Other	Totals for the Year Ended	
					June 30, 1987	June 30, 1986
$ 3,666,447	$	$ 13,788,607	$	$ 8,254,694	$ 28,702,641	$ 28,969,843
110,996	73,127,449		4,232,961		81,929,983	62,885,261
				308,243	308,243	290,609
	3,466,857		401,416		4,037,093	4,612,846
554,154				70,997	879,721	926,096
4,331,597	76,594,306	13,788,607	4,634,377	8,633,934	115,857,681	97,684,655
		8,006,553		6,256,286	14,262,839	18,573,061
1,250,302	313,305	4,033,448	434,015	4,989,505	12,313,436	7,884,534
875,687	560,000	1,351,811		355,382	4,796,578	3,674,684
234,551		319,694		342,735	1,077,347	1,205,786
1,180,267	69,300,520		3,425,714	33,411	74,282,478	57,359,107
561,729	—	148,569		407,174	1,605,517	1,569,365
	148,186		227,814	36,293	412,293	329,470
	1,064,973		24,349	6,939	1,150,978	1,967,940
4,102,536	71,386,984	13,860,075	4,111,892	12,427,725	109,901,466	92,563,947
229,061	5,207,322	(71,468)	522,485	(3,793,791)	5,956,215	5,120,708
				(52,625)	(90,020)	(3,904)
283,057				428	283,485	156,199
61,079					61,079	37,343
		53,884		198,778	417,354	560,142
344,136		53,884		146,581	671,898	749,780
				37,385	37,385	29,420
573,197	5,207,322	(17,584)	522,485	(3,684,595)	6,590,728	5,841,068
				9,192,332	9,192,332	3,776,326
				(912,249)	(912,249)	(175,315)
573,197	5,207,322	(17,584)	522,485	4,595,488	14,870,811	9,442,079
556,149	17,001,864	2,558,821	244,670	7,258,602	78,215,548	68,773,469
				(335,014)	(335,014)	
$ 1,129,346	$ 22,209,186	$ 2,541,237	$ 767,155	$ 11,519,076	$ 92,751,345	$ 78,215,548

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1987

	Department of Economic Development		Department of Natural Resources		
	Certified Development Company, Inc.	**Fair Commission**	Water Pollution Abatement Revolving Loan	**Veterans' Home Purchase Board**	**Veterans' Memorial Stadium Commission**
Sources of Working Capital:					
Operations:					
Net income (loss)	$ 245,656	$ (113,240)	$ 50,825	$ 3,817,482	$ (10,820)
Items not requiring (providing) working capital:					
Depreciation	4,017	261,636		927	221,465
Amortization of goodwill and bond issuance costs					
Amortization of discount and appreciation bonds					
Other	37,395	600			
Working Capital Provided by Operations	287,068	148,996	50,825	3,818,409	210,645
Proceeds from loan receipts					
Proceeds from sale of bonds					
Proceeds from capital leases					
Proceeds from sale of assets	112,185				
Repayment of loans receivable				2,875,295	
Net decrease in restricted assets		1,022,806			
Total Sources of Working Capital	399,253	1,171,802	50,825	6,693,704	210,645
Uses of Working Capital:					
Acquisition of fixed assets and investments	3,043	713,695			90,961
Net increase in restricted assets					
Current installment and repayment of long-term debt		81,000			140,000
Issuance of new loans, net of change in current portion			2,120,595	4,898,693	
Bond issuance cost					
Residual equity transfer					
Other					
Total Uses of Working Capital	3,043	794,695	2,120,595	4,898,693	230,961
Net Increase (Decrease) in Working Capital	$ 396,210	$ 377,107	$ (2,069,770)	$ 1,795,011	$ (20,316)
Elements of Net Increase (Decrease) in Working Capital:					
Cash and cash equivalents	$ 401,106	$ 347,063	$ (812,347)	$ 2,590,412	$ (692,889)
Accounts receivable	(29,514)	24,682		(3,764)	(53,146)
Interest receivable	(1,384)			315,000	(13,834)
Loans receivable - current portion	(72,509)			(433,000)	
Due from other governments - current portion			581,877		
Interfund receivables	22,212		(415,818)		504,668
Inventories					
Prepaid expenses		256			
Other assets					
Warrants payable	1,984	(19,362)	(989,869)	(132,528)	(10,066)
Accounts payable and accruals	(73,329)	153,855	349	(542,482)	254,945
Due to other governments			(435,396)		
Interfund payables		(130,745)	1,434	1,373	6
Loans and notes payable - current portion					
Current portion of long-term debt					(10,000)
Deferred revenues	(16,133)				
Other liabilities	163,777	1,358			
Net Increase (Decrease) in Working Capital	$ 396,210	$ 377,107	$ (2,069,770)	$ 1,795,011	$ (20,316)

Port Authority at Gulfport	Mississippi Housing Finance Corporation	Mississippi Industries for the Blind	Mississippi Hospital Equipment Financing Authority	Other	Totals for the Year Ended	
					June 30, 1987	June 30, 1986
$ 573,197	$ 5,207,322	$ (17,584)	$ 522,485	$ 4,595,488	$ 14,870,811	$ 9,442,079
561,729		148,569		407,174	1,605,517	1,569,365
	148,186		227,814	36,293	412,293	329,470
	6,339,257				6,339,257	
12,967				76,427	127,389	1,449,915
1,147,893	11,694,765	130,985	750,299	5,115,382	23,355,267	12,790,829
						90,285
	196,356,000		70,000,000		266,356,000	197,350,000
63,060					63,060	
24,484		3,993		13,148	153,810	110,858
	32,315,008		4,264,221		39,454,524	17,144,689
					1,022,806	
1,235,437	240,365,773	134,978	75,014,520	5,128,530	330,405,467	227,486,661
514,314	113,321,269	69,513		779,037	115,491,832	58,478,014
						1,961,529
1,213,477	33,445,500		10,870,000	148,580	45,898,557	13,356,283
	99,602,175		15,809,835		122,431,298	153,829,047
	320,000		892,813		1,212,813	
				99,303	99,303	
				84,622	84,622	1,193,880
1,727,791	246,688,944	69,513	27,572,648	1,111,542	285,218,425	228,818,753
$ (492,354)	$ (6,323,171)	$ 65,465	$ 47,441,872	$ 4,016,988	$ 45,187,042	$ (1,332,092)
$ (1,247,683)	$ 27,477	$ 9,329	$ 52,709,981	$ 3,848,617	$ 57,181,066	$ 418,570
(12,213)		93,158	18,789	(115,073)	(77,081)	(866,288)
(7,502)	929,766	2,395	298,838		1,523,279	7,782,861
3,749	2,807,612		1,753,477	(12,670)	4,046,659	5,028,912
				(33,213)	548,664	74,508
		5,303		60,074	176,439	(587,679)
		(67,007)		(34,405)	(101,412)	(64,155)
12,546		3,328	(7,500)	(2,491)	6,139	89,643
	792,490			(55,387)	737,103	190,663
(50,632)				40,262	(1,160,211)	(452,026)
946,993	(2,817,746)	26,825	(256,713)	251,173	(2,056,130)	(9,488,079)
					(435,396)	(400,000)
		(7,866)		111,104	(24,694)	45,834
				25,080	25,080	121,333
(125,000)	(6,124,512)		(7,075,000)	(5,000)	(13,339,512)	(2,425,000)
	(1,938,258)			(48,133)	(2,002,524)	(763,795)
(12,612)				(12,950)	139,573	(37,394)
$ (492,354)	$ (6,323,171)	$ 65,465	$ 47,441,872	$ 4,016,988	$ 45,187,042	$ (1,332,092)

Other Enterprise Funds

Combining Balance Sheet
June 30, 1987

	Department of Agriculture and Commerce		Department of Corrections		
	Division of Lime	Farmers' Central Market Board	Prison Industries	Lake Lodge	Commissary
Assets:					
Current assets:					
Cash and cash equivalents	$ 38,982	$ 83,892	$ 769,805	$ 36,595	$ 376,316
Receivables, net:					
Accounts	24,310	9,000	17,073	8,587	41,347
Loans and notes - current portion					
Due from other governments - current portion			5,694		
Interfund receivables			74,287		1,978
Inventories	2,625		130,846	9,797	119,615
Prepaid expenses	9				15
Other					
Total Current Assets	65,926	92,892	997,705	54,979	539,271
Land		38,280			
Buildings and improvements, net	419,983	922,145	106,851	5,933	
Machinery and equipment, net	605,674	36,147	531,528	21,597	25,476
Construction in progress					
Total Assets	$ 1,091,583	$ 1,089,464	$ 1,636,084	$ 82,509	$ 564,747
Liabilities:					
Current liabilities:					
Warrants payable	$ 16,609	$ 12,824	$ 27,604	$	$
Accounts payable and accruals	60,705	27,109	27,246	9,734	103,935
Interfund payables	98,000	25,080	4,100		2,537
Loans and notes payable - current portion		8,500			
Current portion of long-term general obligation bonds					
Deferred revenues	8,055	55			
Other liabilities			12,950		
Total Current Liabilities	183,369	73,568	71,900	9,734	106,472
Loans and notes payable, net of current portion		68,000			
Loans from other funds		119,613			
Long-term obligation - general obligation bonds payable, net of current portion and unamortized discount					
Total Liabilities	183,369	261,181	71,900	9,734	106,472
Fund Equity:					
Contributed capital		8,312	315,554	5,962	
Retained earnings	908,214	819,971	1,248,630	66,813	458,275
Total Fund Equity	908,214	828,283	1,564,184	72,775	458,275
Total Liabilities and Fund Equity	$ 1,091,583	$ 1,089,464	$ 1,636,084	$ 82,509	$ 564,747

Department of Forestry			Department of Rehabilitation Services	Totals	
Tree Seedling	Bureau of Surplus Property	Yellow Creek Inland Port Authority	Allied Enterprises	June 30, 1987	June 30, 1986
$ 300,000	$ 287,730	$ 3,870,929	$ 1,193,528	$ 6,957,777	$ 3,109,160
	44,815	55,751	642,216	843,099	958,172
					12,670
—	30,131			35,825	69,038
	974		37,993	115,232	55,158
			130,389	393,272	427,677
		—		24	2,515
					55,387
300,000	363,650	3,926,680	2,004,126	8,345,229	4,689,777
	100,000	949,175		1,087,455	1,090,710
	161,552	148,600		1,765,064	1,862,495
	45,026	719,174		1,984,622	1,873,932
					4,088
$ 300,000	$ 670,228	$ 5,743,629	$ 2,004,126	$ 13,182,370	$ 9,521,002
$	$ 31,016	$	$	$ 88,053	$ 128,315
	37,593	20,098	45,899	332,319	583,492
	1,862		21,099	152,678	263,782
				8,500	33,580
		115,000		115,000	110,000
			45,241	53,351	5,218
				12,950	
	70,471	135,098	112,239	762,851	1,124,387
				68,000	265,078
				119,613	
		370,000		370,000	485,000
	70,471	505,098	112,239	1,320,464	1,874,465
	13,002			342,830	387,935
300,000	586,755	5,238,531	1,891,887	11,519,076	7,258,602
300,000	599,757	5,238,531	1,891,887	11,861,906	7,646,537
$ 300,000	$ 670,228	$ 5,743,629	$ 2,004,126	$ 13,182,370	$ 9,521,002

Combining Statement of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended June 30, 1987

	Department of Agriculture and Commerce			Department of Public Safety
	Division of Lime	Authority for Control of Fire Ants	Farmers' Central Market Board	Commissary
Operating Revenues:				
Charges for sales and services	$ 245,352	$	$ 60	$ 100
Rental income			298,882	
Other	1,092		2,830	
Total Operating Revenues	246,444		301,772	100
Operating Expenses:				
Cost of sales and services	247,872			
General and administrative			146,697	
Contractual services	616		36,023	
Commodities	880		9,779	196
Interest			7,280	
Depreciation	107,593		42,691	
Amortization of goodwill and bond issuance costs		36,293		
Other	60			
Total Operating Expenses	357,021	36,293	242,470	196
Operating Income (Loss)	(110,577)	(36,293)	59,302	(96)
Nonoperating Revenues:				
Gain (loss) on disposal of assets	(49,628)		(2,997)	
Insurance recovery			428	
Other				
Interest income	270			
Total Nonoperating Revenues	(49,358)		(2,569)	
Nonoperating Expenses	9,974		515	
Income (Loss) Before Operating Transfers	(169,909)	(36,293)	56,218	(96)
Operating Transfers In			1,584	
Operating Transfers Out				
Net Income (Loss)	(169,909)	(36,293)	57,802	(96)
Retained Earnings July 1	1,078,123	371,307	762,169	96
Residual Equity Transfer Out		(335,014)		
Retained Earnings June 30	$ 908,214	$ 0	$ 819,971	$ 0

Department of Corrections			Department of Forestry			Department of Rehabilitation Services	Totals for the Year Ended	
Prison Industries	Lake Lodge	Commissary	Tree Seedling	Bureau of Surplus Property	Yellow Creek Inland Port Authority	Allied Enterprises	June 30, 1987	June 30, 1986
$ 308,206	$ 220,794	$ 1,483,781	$	$ 612,814	$ 311,044	$ 5,072,543	$ 8,254,694	$ 7,380,434
					9,361		308,243	290,609
50,176	2,204	10,600		3,764	331		70,997	59,076
358,382	222,998	1,494,381		616,578	320,736	5,072,543	8,633,934	7,730,119
50,338	194,268	1,154,646				4,609,162	6,256,286	5,651,502
191,905	34,868	81,670		379,036	204,164	3,951,165	4,989,505	4,220,318
43,348	13,895	14,759		57,387	104,025	85,329	355,382	523,902
127,661	5,751	138,453		37,090	22,925		342,735	357,094
					26,131		33,411	11,740
58,591	874	6,026		36,970	154,429		407,174	352,961
							36,293	1,857
77	372	5,950		245	235		6,939	48,321
471,920	250,028	1,401,504		510,728	511,909	8,645,656	12,427,725	11,167,695
(113,538)	(27,030)	92,877		105,850	(191,173)	(3,573,113)	(3,793,791)	(3,437,576)
							(52,625)	(3,904)
							428	
								14,122
	2,085	16,220			136,408	43,795	198,778	54,633
	2,085	16,220			136,408	43,795	146,581	64,851
7,610		18,756		530			37,385	3,162
(121,148)	(24,945)	90,341		105,320	(54,765)	(3,529,318)	(3,684,595)	(3,375,887)
530,543	20,113	13,852	300,000		4,307,664	4,018,576	9,192,332	3,713,769
(892,697)		(19,552)					(912,249)	(175,315)
(483,302)	(4,832)	84,641	300,000	105,320	4,252,899	489,258	4,595,488	162,567
1,731,932	71,645	373,634		481,435	985,632	1,402,629	7,258,602	7,096,035
							(335,014)	
$ 1,248,630	$ 66,813	$ 458,275	$ 300,000	$ 586,755	$ 5,238,531	$ 1,891,887	$ 11,519,076	$ 7,258,602

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1987

	Department of Agriculture and Commerce			Department of Public Safety
	Division of Lime	Authority for Control of Fire Ants	Farmers' Central Market Board	Commissary
Sources of Working Capital:				
Operations:				
Net income (loss)	$ (169,909)	$ (36,293)	$ 57,802	$ (96)
Items not requiring (providing) working capital:				
Depreciation	107,593		42,691	
Amortization of goodwill		36,293		
Other	49,628		2,997	
Working Capital Provided by Operations	(12,688)		103,490	(96)
Proceeds from loan receipts				
Proceeds from sale of assets	13,148			
Total Sources of Working Capital	460		103,490	(96)
Uses of Working Capital:				
Acquisition of fixed assets and investments			92,212	
Current installment and repayment of long-term debt			33,580	
Residual equity transfer		99,303		
Other	43,885			
Total Uses of Working Capital	43,885	99,303	125,792	
Net Increase (Decrease) in Working Capital	$ (43,425)	$ (99,303)	$ (22,302)	$ (96)
Elements of Net Increase (Decrease) In Working Capital:				
Cash and cash equivalents	$ (7,827)	$ (106,352)	$ (55,081)	$ (96)
Accounts receivable	2,334		1,288	
Loans receivable - current portion				
Due from other governments - current portion				
Interfund receivables		(50,000)		
Inventories	2,625			
Prepaid expenses	(1,365)			
Other assets		(55,387)		
Warrants payable	621	4,607	5,581	
Accounts payable and accruals	(34,966)	6,270	23,118	
Interfund payables	3,208	101,559	(23,812)	
Loans and notes payable - current portion			25,080	
Current portion of long-term debt				
Deferred revenues	(8,055)		1,524	
Other liabilities				
Net Increase (Decrease) in Working Capital	$ (43,425)	$ (99,303)	$ (22,302)	$ (96)

Department of Corrections			Department of Forestry			Department of Rehabilitation Services	Totals for the Year Ended	
Prison Industries	Lake Lodge	Commissary	Tree Seedling	Bureau of Surplus Property	Yellow Creek Inland Port Authority	Allied Enterprises	June 30, 1987	June 30, 1986
$ (483,302)	$ (4,832)	$ 84,641	$300,000	$ 105,320	$ 4,252,899	$ 489,258	$ 4,595,488	$ 162,567
58,591	874	6,026		36,970	154,429		407,174	352,961
							36,293	1,857
4,516		18,756		530			76,427	4,065
(420,195)	(3,958)	109,423	300,000	142,820	4,407,328	489,258	5,115,382	521,450
								90,285
							13,148	88,098
(420,195)	(3,958)	109,423	300,000	142,820	4,407,328	489,258	5,128,530	699,833
35,517	3,608	15,507		15,373	616,820		779,037	87,538
					115,000		148,580	140,101
							99,303	
40,737							84,622	563
76,254	3,608	15,507		15,373	731,820		1,111,542	228,202
$ (496,449)	$ (7,566)	$ 93,916	$300,000	$ 127,447	$ 3,675,508	$ 489,258	$4,016,988	$ 471,631
$ (554,194)	$ (9,930)	$ 110,185	$300,000	$ 128,294	$ 3,669,569	$ 374,049	$3,848,617	$ 878,221
(38,666)	(4,995)	2,024		36,299	5,160	(118,517)	(115,073)	(124,890)
(12,670)							(12,670)	
5,694				(38,907)			(33,213)	74,508
74,287		1,978		(4,184)		37,993	60,074	(17,183)
(19,679)	(5,934)	7,261				(18,678)	(34,405)	(64,155)
		15		(1,141)			(2,491)	5,244
							(55,387)	
29,078				375			40,262	(128,315)
35,528	13,293	(25,010)		2,942	5,779	224,219	251,173	(61,088)
(2,877)		(2,537)		130		35,433	111,104	(80,736)
							25,080	
					(5,000)		(5,000)	(5,000)
				3,639		(45,241)	(48,133)	(5,218)
(12,950)							(12,950)	243
$ (496,449)	$ (7,566)	$ 93,916	$300,000	$ 127,447	$ 3,675,508	$ 489,258	$4,016,988	$ 471,631

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Internal Service Funds

Internal service funds account for the operations of state agencies that provide services or goods to other state agencies or governmental units on a cost reimbursement basis.

Internal Service Funds Descriptions

Personnel Board

Personnel Administration Fund — accounts for the expenses of establishing personnel policies, regulating the pay of state employees, and testing and validating new hires. Revenues consist of assessments charged to state agencies based on the number of authorized positions.

Personnel Test Validation Fund — Residual equity was transferred to Personnel Administration Fund.

Central Data Processing Authority

Data Processing Services Fund — accounts for the purchase, maintenance, and operation of centralized data processing and information devices used by state agencies. Revenues consist of charges to user agencies.

Planning and Policy Fund — accounts for expenses related to planning and policies for the development of data processing capabilities for state agencies. Revenues consist of charges to user agencies.

Telecommunications Fund — accounts for the maintenance, coordination, and usage of the State's central telephone system and the universities' central telephone systems. Revenues consist of charges to user agencies and universities for service and equipment.

Equipment Purchase Fund — accounts for financing activities in connection with the purchase of data processing equipment for state agencies and universities. The fund was closed in FY 87.

Internal Service Funds

Combining Balance Sheet
June 30, 1987

	Personnel Board	Central Data Processing Authority		
	Personnel Administration	Data Processing Services	Planning and Policy	Telecommunications
Assets:				
Current assets:				
Cash and cash equivalents	$ 881,296	$ 5,862,270	$ 273,761	$ 798,470
Accounts receivable	14,160	43,627	19,910	94,081
Interfund receivables	7,680	575,676	261,027	407,500
Due from other governments			9,983	
Prepaid expenses				
Total Current Assets	903,136	6,481,573	564,681	1,300,051
Restricted assets				
Machinery and equipment, net	210,400	4,390,172	161,283	1,943,595
Total Assets	$ 1,113,536	$ 10,871,745	$ 725,964	$ 3,243,646
Liabilities:				
Current liabilities:				
Warrants payable	$ 314,359	$ 713,883	$ 48,755	$ 250,042
Accounts payable and accruals	89,700	235,422	44,454	452,215
Interfund payables		223,977	960	326
Lease obligations payable, current portion		1,230,061		389,107
Total Current Liabilities	404,059	2,403,343	94,169	1,091,690
Lease obligations payable, net of current portion		398,797		493,863
Total Liabilities	404,059	2,802,140	94,169	1,585,553
Fund Equity:				
Retained earnings, unreserved	709,477	8,069,605	631,795	1,658,093
Total Liabilities and Fund Equity	$ 1,113,536	$ 10,871,745	$ 725,964	$ 3,243,646

Totals	
June 30, 1987	June 30, 1986
$ 7,815,797	$ 6,719,351
171,778	43,236
1,251,883	1,116,576
9,983	
	15,223
9,249,441	7,894,386
	2,170,149
6,705,450	6,388,773
$ 15,954,891	$ 16,453,308
$ 1,327,039	$ 502,315
821,791	1,493,992
225,263	2,497,919
1,619,168	1,497,954
3,993,261	5,992,180
892,660	1,558,362
4,885,921	7,550,542
11,068,970	8,902,766
$ 15,954,891	$ 16,453,308

	Personnel Board	
	Personnel Administration	Personnel Test Validation
Operating Revenues:		
Charges for goods and services	$ 2,322,306	$
Other	3	
Total Operating Revenues	2,322,309	
Operating Expenses:		
Personal services:		
Salaries, wages and fringe benefits	1,423,044	
Travel	17,556	
Contractual services	800,979	
Commodities	33,391	
Depreciation	34,970	
Interest expense		
Other		
Total Operating Expenses	2,309,940	
Operating Income (Loss)	12,369	
Nonoperating Expenses	913	
Income (Loss) Before Operating Transfers	11,456	
Operating Transfers In		
Operating Transfers Out		
Net Income	11,456	
Retained Earnings July 1, as Restated	697,624	397
Residual Equity Transfer In (Out)	397	(397)
Retained Earnings June 30	$ 709,477	$ 0

Central Data Processing Authority			Totals for the Year Ended	
Data Processing Services	Planning and Policy	Tele-communications	June 30, 1987	June 30, 1986
$ 6,004,744	$ 637,736	$ 4,662,362	$ 13,627,148	$ 12,689,780
75			78	3,326
6,004,819	637,736	4,662,362	13,627,226	12,693,106
1,534,269	491,696	352,752	3,801,761	3,765,942
35,386	23,037	19,046	95,025	79,885
1,927,830	119,202	3,145,882	5,993,893	5,731,544
111,757	8,786	22,583	176,517	154,223
1,096,921	22,068	503,489	1,657,448	1,454,902
151,762			151,762	
128		126,975	127,103	
4,858,053	664,789	4,170,727	12,003,509	11,186,496
1,146,766	(27,053)	491,635	1,623,717	1,506,610
19,044		943	20,900	1,979,810
1,127,722	(27,053)	490,692	1,602,817	(473,200)
255,657	87,045	223,625	566,327	1,316,487
(2,940)			(2,940)	(7,500)
1,380,439	59,992	714,317	2,166,204	835,787
6,689,166	571,803	943,776	8,902,766	8,066,979
$ 8,069,605	$ 631,795	$ 1,658,093	$ 11,068,970	$ 8,902,766

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1987

	Personnel Board	
	Personnel Administration	Personnel Test Validation
Sources of Working Capital:		
Operations:		
Net income	$ 11,456	$
Items not requiring working capital:		
Depreciation	34,970	
Other		
Working Capital Provided by Operations	46,426	
Decrease in restricted assets		
Proceeds from sale of assets	913	
Proceeds from capital leases		
Residual equity transfers	397	
Total Sources of Working Capital	47,736	
Uses of Working Capital:		
Acquisition of machinery and equipment	114,986	
Decrease in long-term loans from other funds		
Increase in restricted assets		
Decrease in long-term debt		
Residual equity transfers		397
Total Uses of Working Capital	114,986	397
Net Increase (Decrease) in Working Capital	$ (67,250)	$ (397)
Elements of Net Increase (Decrease) in Working Capital:		
Cash and cash equivalents	$ 96,004	$ (37,897)
Accounts receivable	14,160	
Due from other governments		
Interfund receivables	(9,324)	
Prepaid expenses		
Warrants payable	(168,379)	37,500
Accounts payable and accruals	(5,378)	
Interfund payables	5,667	
Current portion of long-term debt		
Net Increase (Decrease) in Working Capital	$ (67,250)	$ (397)

Central Data Processing Authority				Totals for the Year Ended	
Data Processing Services	Planning and Policy	Tele-communications	Equipment Purchase	June 30, 1987	June 30, 1986
$ 1,380,439	$ 59,992	$ 714,317	$	$ 2,166,204	$ 835,787
1,096,921	22,068	503,489		1,657,448	1,454,902
3,143		3,391		6,534	1,756,784
2,480,503	82,060	1,221,197		3,830,186	4,047,473
			2,170,149	2,170,149	
19,044		943		20,900	
909,760		231,948		1,141,708	827,716
				397	
3,409,307	82,060	1,454,088	2,170,149	7,163,340	4,875,189
1,525,053	80,518	281,002		2,001,559	4,714,831
					2,287,030
					592,969
1,457,369		350,041		1,807,410	
				397	
2,982,422	80,518	631,043		3,809,366	7,594,830
$ 426,885	$ 1,542	$ 823,045	$ 2,170,149	$ 3,353,974	$ (2,719,641)
$ 1,265,835	$ (206,512)	$ (6,789)	$ (14,195)	$ 1,096,446	$ 1,383,566
31,047	16,203	67,132		128,542	10,216
	9,983			9,983	
188,124	163,252	(88,878)	(117,867)	135,307	(600,864)
		(15,223)		(15,223)	15,223
(466,199)	(7,571)	(220,075)		(824,724)	(502,315)
67,763	19,804	590,012		672,201	(1,260,700)
(218,006)	6,383	176,401	2,302,211	2,272,656	(1,764,767)
(441,679)		320,465		(121,214)	
$ 426,885	$ 1,542	$ 823,045	$ 2,170,149	$ 3,353,974	$ (2,719,641)

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Trust and agency funds account for assets held by the State in a fiduciary capacity.

Significant Trust and Agency Funds Descriptions

Expendable Trust Funds

Fiscal Management Board	**Group Insurance Fund** — accounts for resources and transactions pertaining to the State's self-insured medical plan and life insurance program. State employees' premiums are funded by the State. Additional funding is provided by retired employees and by active employees for spouse and dependent medical coverage. Administrative expenses and benefits to eligible claimants are paid from this fund. **State Employees' Unemployment Insurance Fund** — accounts for unemployment benefits paid to eligible former state employees. Funding is provided by premiums collected from the State's operating funds.
Employment Security Commission	**Unemployment Compensation Fund** — accounts for the collection of unemployment insurance taxes from employers and the payment of unemployment benefits to eligible claimants. Funds are also provided by the federal government and interest income. Administrative expenses incurred by the Employment Security Commission are accounted for in a special revenue fund.

Nonexpendable Trust Funds

School for the Blind	**School for the Blind Endowment Fund** — accounts for endowment trusts whose income is used for the benefit of blind children at the school.
Treasurer	**Oil and Gas Taxes on State-owned Land Fund** — accounts for oil and gas royalties collected on state-owned lands and transferred from the General Fund. The principal is required by statute to remain inviolate. Income derived from the investment of the principal may be appropriated for specific uses by the Legislature.
Department of Archives and History	**Dunbar Rowland Fund** — provides for funds to purchase books and historical manuscripts. **Stonewall Jackson Memorial Fund** — provides for funds to award higher education scholarship awards to winners of an essay contest.

Pension Trust Funds

Public Employees' Retirement System

Public Employees' Retirement System Fund — provides retirement and disability coverage to substantially all employees of the State and its political subdivisions. Benefits are funded by contributions from the members, the State, and political subdivisions and by investment income.

Highway Safety Patrol Retirement System Fund — provides retirement and disability benefits to uniformed officers of the Department of Public Safety. Benefits are funded by contributions of the members and the State, driver's license reinstatement fees, and investment income.

Agency Funds

Deferred Compensation Plan Fund — accounts for deposits of gross compensation deferred by employees of the State and its political subdivisions. These deposits are invested until retirement, severance from public service, death, or extreme hardship of the individual participants.

Social Security Fund — accounts for contributions received or due from the State and the various political subdivisions that are due to the federal Social Security Administration.

Local Government Distributive Fund — serves as a clearing mechanism for funds distributed to the various counties and municipalities of the State.

Program Fund — accounts for receipt of various taxes, refundable deposits, inventories, and other monies collected or recovered to be held until the State has the right or obligation to distribute them to state operating funds or to various entities or individuals.

Institutional Fund — accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

Highway Refunded Bonds Fund — serves as a clearing mechanism to account for monies earned on escrow funds held for highway bonds that have been fully defeased. The funds are transferred to the paying agent to pay bonds and coupons that mature.

Trust and Agency Funds

Combining Balance Sheet
June 30, 1987

	Trust				Totals	
	Expendable	Nonexpendable	Pension	Agency	June 30, 1987	June 30, 1986
Assets:						
Cash and cash equivalents	$ 27,903,237	$ 19,157,409	$ 296,791,803	$ 23,889,252	$ 367,741,701	$ 291,163,099
Amount on deposit with U.S. Treasury	358,973,618				358,973,618	359,809,752
Investments			2,619,940,911	90,158,447	2,710,099,358	2,412,186,806
Collateral held under reverse repurchase agreements			662,508,008		662,508,008	348,125,534
Receivables:						
Taxes	24,280,890				24,280,890	35,017,990
Securities sold			40,813,777		40,813,777	
Interest	8,418,709	39,144	39,217,858	552,306	48,228,017	55,518,248
Dividends			2,395,751		2,395,751	
Due from other governments	32,298				32,298	155,262
Contributions			24,570,284	1,290,822	25,861,106	53,521,563
Other	8,548,315		389,536	1,133,590	10,071,441	7,303,883
Interfund receivables	2,675,331	3,203	75,211,121	1,215,759	79,105,414	76,142,637
Commodity inventory				167,496	167,496	
Loans to other funds	2,963,676				2,963,676	2,800,000
Land			508,000		508,000	508,000
Buildings, net			3,365,436		3,365,436	3,454,000
Improvements other than buildings, net			117,422		117,422	125,595
Machinery and equipment, net			582,660		582,660	432,871
Total Assets	$ 433,796,074	$ 19,199,756	$3,766,412,567	$ 118,407,672	$4,337,816,069	$3,646,265,240
Liabilities:						
Warrants payable	$ 14,142	$	$	$ 2,543,612	$ 2,557,754	$ 2,881,551
Accounts payable and accruals	12,334,325		26,419,341	593,651	39,347,317	45,527,884
Due to other governments				1,349,670	1,349,670	30,111,912
Interfund payables	363,988	116,533	75,764,959	302,826	76,548,306	73,570,189
Amounts held in custody for others				113,617,913	113,617,913	112,583,010
Obligations under reverse repurchase agreements			662,508,008		662,508,008	348,125,534
Deferred revenues	136,321				136,321	554,990
Other liabilities	5,793				5,793	5,793
Total Liabilities	12,854,569	116,533	764,692,308	118,407,672	896,071,082	613,360,863
Fund Balances:						
Reserved for:						
Pension benefits			3,001,720,259		3,001,720,259	2,591,760,282
Life and health insurance benefits	14,973,012				14,973,012	11,753,376
Unemployment compensation benefits	402,899,908				402,899,908	408,099,344
Loans to other funds	2,963,676				2,963,676	2,800,000
Other		17,592,594			17,592,594	16,890,626
Unreserved:						
Undesignated	104,909	1,490,629			1,595,538	1,600,749
Total Fund Balances	420,941,505	19,083,223	3,001,720,259		3,441,744,987	3,032,904,377
Total Liabilities and Fund Balances	$ 433,796,074	$ 19,199,756	$ 3,766,412,567	$ 118,407,672	$ 4,337,816,069	$3,646,265,240

Expendable Trust Funds

Combining Balance Sheet
June 30, 1987

	Fiscal Management Board		Employment Security Commission		Totals	
	Group Insurance	State Employees' Unemployment Insurance	Unemployment Compensation	Other	June 30, 1987	June 30, 1986
Assets:						
Cash and cash equivalents	$ 22,638,054	$ 5,169,555	$ (11,922)	$ 107,550	$ 27,903,237	$ 23,557,158
Amount on deposit with U.S. Treasury			358,973,618		358,973,618	359,809,752
Receivables:						
Taxes			24,280,890		24,280,890	35,017,990
Interest	26,977		8,391,732		8,418,709	8,974,800
Due from other governments		646	31,652		32,298	155,262
Other	2,241,527		6,300,995	5,793	8,548,315	2,254,551
Interfund receivables	1,777,342	528,653	369,336		2,675,331	2,737,515
Loans to other funds		2,800,000	163,676		2,963,676	2,800,000
Total Assets	$ 26,683,900	$ 8,498,854	$ 398,499,977	$ 113,343	$ 433,796,074	$ 435,307,028
Liabilities:						
Warrants payable	$ 13,150	$	$	$ 992	$ 14,142	$ 378,920
Accounts payable and accruals	11,697,738		634,938	1,649	12,334,325	11,425,305
Due to other governments						176,365
Interfund payables		301,171	62,817		363,988	9,722
Deferred revenues			136,321		136,321	554,990
Other liabilities				5,793	5,793	5,793
Total Liabilities	11,710,888	301,171	834,076	8,434	12,854,569	12,551,095
Fund Balances:						
Reserved for:						
Life and health insurance benefits	14,973,012				14,973,012	11,753,376
Unemployment compensation benefits		5,397,683	397,502,225		402,899,908	408,099,344
Loans to other funds		2,800,000	163,676		2,963,676	2,800,000
Unreserved:						
Undesignated				104,909	104,909	103,213
Total Fund Balances	14,973,012	8,197,683	397,665,901	104,909	420,941,505	422,755,933
Total Liabilities and Fund Balances	$ 26,683,900	$ 8,498,854	$ 398,499,977	$ 113,343	$ 433,796,074	$ 435,307,028

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Year Ended June 30, 1987

	Fiscal Management Board		Employment Security Commission		Totals for the Year Ended	
	Group Insurance	State Employees' Unemployment Insurance	Unemployment Compensation	Other	June 30, 1987	June 30, 1986
Revenues:						
Taxes	$	$	$ 68,376,272	$	$ 68,376,272	$ 115,132,189
Employer premiums	51,070,015	3,235,804			54,305,819	55,406,628
Federal government			3,410,931		3,410,931	2,862,275
Interest income	1,137,755		34,460,884	1,343	35,599,982	35,505,613
Other	238,508			26,799	265,307	132,568
Total Revenues	52,446,278	3,235,804	106,248,087	28,142	161,958,311	209,039,273
Expenditures:						
General government:						
Benefits	47,850,641	2,321,621			50,172,262	49,230,396
Administrative fees	1,376,001			26,446	1,402,447	1,049,806
Health and social services:						
Benefits			112,038,048		112,038,048	99,026,672
Total Expenditures	49,226,642	2,321,621	112,038,048	26,446	163,612,757	149,306,874
Excess of Revenues over (under) Expenditures	3,219,636	914,183	(5,789,961)	1,696	(1,654,446)	59,732,399
Other Financing Sources (Uses):						
Operating transfers in						77,779
Operating transfers out			(159,982)		(159,982)	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	3,219,636	914,183	(5,949,943)	1,696	(1,814,428)	59,810,178
Fund Balances July 1, as Restated	11,753,376	7,283,500	403,615,844	103,213	422,755,933	362,945,755
Fund Balances June 30	$ 14,973,012	$ 8,197,683	$ 397,665,901	$ 104,909	$ 420,941,505	$ 422,755,933

Nonexpendable Trust Funds

Combining Balance Sheet
June 30, 1987

	School for the Blind	Treasurer	Department of Archives and History	
	Endowment	Oil and Gas Taxes on State-owned Land	Dunbar Rowland	Stonewall Jackson Memorial
Assets:				
Cash and cash equivalents	$ 56,367	$ 19,044,142	$ 9,384	$ 36,358
Interest receivable		38,462	429	253
Interfund receivables		3,203		
Total Assets	$ 56,367	$ 19,085,807	$ 9,813	$ 36,611
Liabilities:				
Interfund payables	$	$ 116,533	$	$
Amounts held in custody for others				
Total Liabilities		116,533		
Fund Balances:				
Reserved for:				
Scholarships				20,000
Books and historical manuscripts			5,000	
Student activities	56,367			
Education and vocational training		17,502,026		
Other				
Unreserved		1,467,248	4,813	16,611
Total Fund Balances	56,367	18,969,274	9,813	36,611
Total Liabilities and Fund Balances	$ 56,367	$ 19,085,807	$ 9,813	$ 36,611

State of Mississippi

Nonexpendable Trust Funds

Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended June 30, 1987

	School for the Blind	Treasurer	Department of Archives and History	
	Endowment	Oil and Gas Taxes on State-owned Land	Dunbar Rowland	Stonewall Jackson Memorial
Operating Revenues:				
Interest income	$	$ 964,537	$ 826	$ 2,412
Oil and gas royalties		521,269		
Donations		14,882		
Total Operating Revenues		1,500,688	826	2,412
Operating Expenses:				
Scholarships				1,800
Administrative				12
Operating Income:		1,500,688	826	600
Other Financing Sources (Uses):				
Operating transfers in		165,817		
Operating transfers out		(973,709)		
Total Other Financing Sources (Uses)		(807,892)		
Net Income		692,796	826	600
Fund Balances July 1, as Restated	56,367	18,276,478	8,987	36,011
Fund Balances June 30	$ 56,367	$ 18,969,274	$ 9,813	$ 36,611

	Totals	
Other	June 30, 1987	June 30, 1986
$ 11,158	$ 19,157,409	$ 18,961,782
	39,144	87,558
	3,203	
$ 11,158	$ 19,199,756	$ 19,049,340
$	$ 116,533	$ 660,578
		600
	116,533	661,178
	20,000	20,000
	5,000	5,000
	56,367	56,367
	17,502,026	16,800,058
9,201	9,201	9,201
1,957	1,490,629	1,497,536
11,158	19,083,223	18,388,162
$ 11,158	$ 19,199,756	$ 19,049,340

	Totals for the Year Ended	
Other	June 30, 1987	June 30, 1986
$ 839	$ 968,614	$ 1,128,173
	521,269	4,567,083
	14,882	
839	1,504,765	5,695,256
	1,800	1,900
	12	
839	1,502,953	5,693,356
	165,817	5,884
	(973,709)	(802,048)
	(807,892)	(796,164)
839	695,061	4,897,192
10,319	18,388,162	13,490,970
$ 11,158	$ 19,083,223	$ 18,388,162

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1987

	Treasurer	Department of Archives and History			Totals for the Year Ended	
	Oil and Gas Taxes on State-owned Land	Dunbar Rowland	Stonewall Jackson Memorial	Other	June 30, 1987	June 30, 1986
Sources of Working Capital:						
Operations:						
Net income	$ 692,796	$ 826	$ 600	$ 839	$ 695,061	$ 4,897,192
Net Increase in Working Capital	$ 692,796	$ 826	$ 600	$ 839	$ 695,061	$ 4,897,192
Elements of Net Increase (Decrease) in Working Capital:						
Cash and cash equivalents	$ 193,483	$ 914	$ 391	$ 839	$ 195,627	$ 5,548,529
Investments						(6,725)
Interest receivable	(47,935)	(88)	(391)		(48,414)	15,954
Interfund receivable	3,203				3,203	
Interfund payables	544,045				544,045	(660,578)
Amounts held in custody for others			600		600	12
Net Increase in Working Capital	$ 692,796	$ 826	$ 600	$ 839	$ 695,061	$ 4,897,192

Combining Balance Sheet
June 30, 1987

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Totals	
			June 30, 1987	June 30, 1986
Assets:				
Current assets:				
Cash and cash equivalents	$ 296,762,904	$ 28,899	$ 296,791,803	$ 211,627,540
Investments	2,619,940,911		2,619,940,911	2,335,659,272
Collateral held under reverse repurchase agreements	662,508,008		662,508,008	348,125,534
Receivables:				
Securities sold	40,813,777		40,813,777	2,919,331
Interest	39,217,858		39,217,858	44,840,703
Dividends	2,395,751		2,395,751	1,033 179
Contributions	24,267,223	303,061	24,570,284	27,974,210
Other	389,536		389,536	1,020,826
Interfund receivables		75,211,121	75,211,121	67,653,450
Total Current Assets	3,686,295,968	75,543,081	3,761,839,049	3,040,854,045
Land	508,000		508,000	508,000
Buildings, net	3,365,436		3,365,436	3,454,000
Improvements other than buildings, net	117,422		117,422	125,595
Machinery and equipment, net	582,660		582,660	432,871
Total Assets	$3,690,869,486	$ 75,543,081	$ 3,766,412,567	$3,045,374,511
Liabilities:				
Warrants payable	$	$	$	$ 211,696
Accounts payable and accruals	26,419,341		26,419,341	32,687,699
Interfund payables	75,764,959		75,764,959	72,589,300
Obligations under reverse repurchase agreements	662,508,008		662,508,008	348,125,534
Total Liabilities	764,692,308		764,692,308	453,614,229
Fund Balances:				
Reserved for pension benefits	2,926,177,178	75,543,081	3,001,720,259	2,591,760,282
Total Liabilities and Fund Balances	$3,690,869,486	$ 75,543,081	$ 3,766,412,567	$ 3,045,374,511

Pension Trust Funds

Combining Statement of Revenues, Expenses and Changes in Fund Balances For the Year Ended June 30, 1987

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Totals for the Year Ended	
			June 30, 1987	June 30, 1986
Operating Revenues:				
Member contributions	$ 111,112,890	$ 662,659	$ 111,775,549	$ 111,813,387
State contributions	60,833,275	2,617,554	63,450,829	65,005,402
Political subdivisions contributions	106,805,213		106,805,213	99,778,534
Interest income	191,710,266	5,947	191,716,213	186,509,305
Dividend income	25,408,354		25,408,354	16,594,297
Net income from investment transactions	113,364,412		113,364,412	141,189,539
Income from securities lending transactions	17,816,960		17,816,960	17,316,283
Drivers' license reinstatement fees		874,226	874,226	782,653
Other	422,923	58,670	481,593	409,298
Total Operating Revenues	627,474,293	4,219,056	631,693,349	639,398,698
Operating Expenses:				
Benefits	158,819,083	5,264,300	164,083,383	132,249,153
Rebates on securities lending transactions	15,983,738		15,983,738	15,581,455
Refunds	33,586,616	25,998	33,612,614	29,428,501
Administrative expenses:				
Personal services:				
Salaries, wages and fringe benefits	1,819,189		1,819,189	1,784,255
Travel	49,734		49,734	42,676
Contractual services	5,841,511		5,841,511	4,980,921
Commodities	163,095		163,095	95,833
Depreciation	198,150		198,150	147,675
Other	7,296		7,296	
Total Operating Expenses	216,468,412	5,290,298	221,758,710	184,310,469
Operating Income (Loss)	411,005,881	(1,071,242)	409,934,639	455,088,229
Other Financing Sources (Uses):				
Operating transfers in	25,338	8,424,001	8,449,339	8,725,739
Operating transfers out	(8,424,001)		(8,424,001)	(8,725,739)
Total Other Financing Sources (Uses)	(8,398,663)	8,424,001	25,338	0
Net Income	402,607,218	7,352,759	409,959,977	455,088,229
Fund Balances July 1	2,523,569,960	68,190,322	2,591,760,282	2,136,672,053
Fund Balances June 30	$ 2,926,177,178	$ 75,543,081	$ 3,001,720,259	$ 2,591,760,282

Combining Statement of Changes in Financial Position
For the Year Ended June 30, 1987

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Totals for the Year Ended	
			June 30, 1987	June 30, 1986
Sources of Working Capital:				
Operations:				
Net income	$ 402,607,218	$ 7,352,759	$ 409,959,977	$ 455,088,229
Items not requiring working capital:				
Depreciation	198,150		198,150	147,675
Other				995
Working Capital Provided by Operations	402,805,368	7,352,759	410,158,127	455,236,899
Proceeds from sale of assets	10,794		10,794	(25,481)
Total Sources of Working Capital	402,816,162	7,352,759	410,168,921	455,211,418
Uses of Working Capital:				
Acquisition of machinery and equipment	261,996		261,996	873,212
Net Increase in Working Capital	$ 402,554,166	$ 7,352,759	$ 409,906,925	$ 454,338,206
Elements of Net Increase (Decrease) in Working Capital:				
Cash and cash equivalents	$ 85,186,844	$ (22,581)	$ 85,164,263	$(157,746,642)
Funds on deposit with Bureau of Buildings				(570,902)
Investments	284,281,639		284,281,639	552,243,769
Collateral held under reverse repurchase agreements	314,382,474		314,382,474	348,125,534
Receivables:				
Securities sold	37,894,446		37,894,446	1,001,428
Interest	(5,622,845)		(5,622,845)	4,639,586
Dividends	1,362,572		1,362,572	(309,395)
Contributions	(3,221,595)	(182,331)	(3,403,926)	(21,615,070)
Other	(631,290)		(631,290)	(546,411)
Interfund receivables		7,557,671	7,557,671	11,241,617
Warrants payable	211,696		211,696	(211,696)
Accounts payable and accruals	6,268,358		6,268,358	35,805,508
Book overdraft in bank account				466,771
Interfund payables	(3,175,659)		(3,175,659)	29,939,643
Obligations under reverse repurchase agreements	(314,382,474)		(314,382,474)	(348,125,534)
Net Increase in Working Capital	$ 402,554,166	$ 7,352,759	$ 409,906,925	$ 454,338,206

Agency Funds

Combining Balance Sheet
June 30, 1987

	Deferred Compensation Plan	Social Security	Local Government Distributive	Program
Assets:				
Cash and cash equivalents	$ 337,837	$	$ 431,128	$ 21,743,574
Investments	86,722,687			3,435,760
Receivables:				
Interest and dividends	529,525			22,781
Contributions	657,460	633,362		
Other	19,401		1,074,658	
Interfund receivables		553,838		661,921
Commodity Inventory				167,496
Total Assets	$88,266,910	$ 1,187,200	$ 1,505,786	$ 26,031,532
Liabilities:				
Warrants payable	$	$	$ 231,359	$ 2,312,253
Accounts payable and accruals	147,144			425,483
Due to other governments		1,187,200	98,325	64,145
Interfund payables			101,375	116,521
Amounts held in custody for others	88,119,766		1,074,727	23,113,130
Total Liabilities	$ 88,266,910	$ 1,187,200	$ 1,505,786	$ 26,031,532

Institutional	Highway Refunded Bonds	Totals June 30, 1987	Totals June 30, 1986
$ 1,314,348	$ 62,365	$ 23,889,252	$ 37,016,619
		90,158,447	76,527,534
		552,306	582,008
		1,290,822	25,547,353
39,531		1,133,590	1,109,175
		1,215,759	5,751,672
		167,496	
$ 1,353,879	$ 62,365	$ 118,407,672	$ 146,534,361
$	$	$ 2,543,612	$ 2,290,935
21,024		593,651	1,414,880
		1,349,670	29,935,547
84,930		302,826	310,589
1,247,925	62,365	113,617,913	112,582,410
$ 1,353,879	$ 62,365	$ 118,407,672	$ 146,534,361

Combining Statement of Changes in Assets and Liabilities For the Year Ended June 30, 1987

	Assets					
Fund	Cash and Cash Equivalents	Investments	Receivables	Interfund Receivables	Commodity Inventory	Total Assets
Deferred Compensation Plan:						
Balance July 1, 1986	$ 410,138	$ 76,527,534	$ 1,241,057	$	$	$ 78,178,729
Additions	123,230,772	20,278,090	1,206,386			144,715,248
Deductions	123,303,073	10,082,937	1,241,057			134,627,067
Balance June 30, 1987	337,837	86,722,687	1,206,386			88,266,910
Social Security:						
Balance July 1, 1986			24,822,748	4,927,670		29,750,418
Additions			174,058,430	553,838		174,612,268
Deductions			198,247,816	4,927,670		203,175,486
Balance June 30, 1987			633,362	553,838		1,187,200
Local Government Distributive:						
Balance July 1, 1986	9,084,308		1,083,482			10,167,790
Additions	25,171,729		1,074,658			26,246,387
Deductions	33,824,909		1,083,482			34,908,391
Balance June 30, 1987	431,128		1,074,658			1,505,786
Program:						
Balance July 1, 1986	26,050,364		65,556	824,002		26,939,922
Additions	43,982,679	3,435,760	528,641	12,994,170	16,961,290	77,902,540
Deductions	48,289,469		571,416	13,156,251	16,793,794	78,810,930
Balance June 30, 1987	21,743,574	3,435,760	22,781	661,921	167,496	26,031,532
Institutional:						
Balance July 1, 1986	1,397,943		25,693			1,423,636
Additions	4,700,285		345,305			5,045,590
Deductions	4,783,880		331,467			5,115,347
Balance June 30, 1987	1,314,348		39,531			1,353,879
Highway Refunded Bonds:						
Balance July 1, 1986	73,866					73,866
Additions	80,475,896					80,475,896
Deductions	80,487,397					80,487,397
Balance June 30, 1987	62,365					62,365
Total - All Agency Funds:						
Balance July 1, 1986	37,016,619	76,527,534	27,238,536	5,751,672		146,534,361
Additions	277,561,361	23,713,850	177,213,420	13,548,008	16,961,290	508,997,929
Deductions	290,688,728	10,082,937	201,475,238	18,083,921	16,793,794	537,124,618
Balance June 30, 1987	$ 23,889,252	$ 90,158,447	$ 2,976,718	$ 1,215,759	$ 167,496	$ 118,407,672

Liabilities

Warrants Payable	Accounts Payable and Accruals	Due to Other Governments	Interfund Payables	Amounts Held In Custody for Others	Total Liabilities
$	$ 19,306	$	$	$ 78,159,423	$ 78,178,729
	147,144			9,960,343	10,107,487
	19,306				19,306
	147,144			88,119,766	88,266,910
		29,750,418			29,750,418
		174,612,268			174,612,268
		203,175,486			203,175,486
		1,187,200			1,187,200
21,488	1,800	94,275	97,650	9,952,577	10,167,790
231,359		98,325	101,375	21,171,488	21,602,547
21,488	1,800	94,275	97,650	30,049,338	30,264,551
231,359		98,325	101,375	1,074,727	1,505,786
2,269,447	1,384,674	90,854	156,544	23,038,403	26,939,922
2,312,253	434,371	506,560	8,086,671	46,546,043	57,885,898
2,269,447	1,393,562	533,269	8,126,694	46,471,316	58,794,288
2,312,253	425,483	64,145	116,521	23,113,130	26,031,532
	9,100		56,395	1,358,141	1,423,636
	178,665		311,631	4,357,363	4,847,659
	166,741		283,096	4,467,579	4,917,416
	21,024		84,930	1,247,925	1,353,879
				73,866	73,866
				80,475,896	80,475,896
				80,487,397	80,487,397
				62,365	62,365
2,290,935	1,414,880	29,935,547	310,589	112,582,410	146,534,361
2,543,612	760,180	175,217,153	8,499,677	162,511,133	349,531,755
2,290,935	1,581,409	203,803,030	8,507,440	161,475,630	377,658,444
$ 2,543,612	$ 593,651	$ 1,349,670	$ 302,826	$ 113,617,913	$ 118,407,672

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University Funds

University Funds account for all transactions relating to public institutions of higher learning, including a teaching hospital.

University Funds Descriptions

Current Funds	**Unrestricted Fund** — accounts for currently expendable resources which may be either designated or not designated by the universities for specific purposes. **Restricted Fund** — accounts for resources restricted by the donor or external agency for a specific use or program.
Fiduciary Funds	**Loan Fund** — accounts for resources provided by the federal government, private gifts, and other university funds, which are available for loans to students. **Endowment Fund**— accounts for resources which are invested in accordance with donor restrictions and only the income earned thereon may be expended. **Agency Fund** — accounts for amounts held in custody for students, university-related organizations, and others.
Plant Funds	Account for the various unexpended resources to finance the acquisition and/or repair or replacement of long-lived plant facilities, for renewal and replacement of those facilities-constructed from bond proceeds which remain governed under a related bond indenture of trust, for the resources restricted to interest and principal payments and other debt service charges related to plant indebtedness, and for all long-lived assets in the service of the universities and all construction in progress and their associated liabilities.

Combining Balance Sheet
June 30,1987

	Current Funds	
	Unrestricted	Restricted
Assets:		
Cash and cash equivalents	$ 57,312,969	$ 4,484,275
Investments		
Accounts receivable, net	44,178,681	13,462,924
Interfund receivables	16,451,165	1,075,513
Inventories	10,964,885	
Prepaid expenses	2,896,566	10,045
Loans and notes receivable, net		
Land		
Buildings		
Improvements other than buildings		
Furniture, machinery and equipment		
Construction in progress		
Books and films		
Assets under capital lease		
Livestock		
Other assets		
Total Assets	$ 131,804,266	$ 19,032,757
Liabilities:		
Warrants payable	$ 13,659,208	$
Accounts payable and accruals	16,571,098	795,257
Interfund payables	9,177,534	5,195,634
Deferred revenue	8,864,650	905,756
General obligation bonds payable		
Revenue bonds and notes payable		
Obligations under capital lease		
Amount held in custody for others		
Other liabilities		
Total Liabilities	48,272,490	6,896,647
Fund Balances:		
Investment in fixed assets		
Fund balances:		
Reserved	24,140,204	6,021,401
Unreserved	59,391,572	6,114,709
Total Fund Balances	83,531,776	12,136,110
Total Liabilities and Fund Balances	$ 131,804,266	$ 19,032,757

Fiduciary Funds				Totals	
Loan	Endowment and Similar	Agency	Plant Funds	June 30,1987	June 30,1986
$ 9,282,434	$ 6,332,402	$ 2,335,500	$ 30,119,838	$ 109,867,418	$ 95,197,208
	6,459,985			6,459,985	14,788,289
4,681,720	10,042	77,707	1,723,287	64,134,361	48,639,859
73,204		546,997		18,146,879	11,357,951
				10,964,885	10,977,480
		1,700	466,402	3,374,713	2,923,455
38,874,855				38,874,855	43,471,103
			14,355,100	14,355,100	12,950,160
			468,561,191	468,561,191	465,035,363
			29,058,136	29,058,136	27,344,975
			149,337,788	149,337,788	148,600,875
			18,780,958	18,780,958	11,841,687
			74,825,457	74,825,457	70,246,121
			14,778,204	14,778,204	11,128,271
			1,948,272	1,948,272	1,663,079
	1,340,068			1,340,068	1,437,528
$ 52,912,213	$ 14,142,497	$ 2,961,904	$ 803,954,633	$ 1,024,808,270	$ 977,603,404
$	$	$	$	$ 13,659,208	$ 3,392,133
28,792		89,193	189,879	17,674,219	19,187,266
40,894	1,021	312,385		14,727,468	11,565,586
17,835	357,174			10,145,415	12,232,098
			11,969,000	11,969,000	13,258,000
			31,400,702	31,400,702	31,026,518
			9,378,809	9,378,809	7,910,797
		2,560,326		2,560,326	2,953,935
					138,818
87,521	358,195	2,961,904	52,938,390	111,515,147	101,665,151
			624,711,313	624,711,313	696,696,280
29,311,305	8,538,789		21,438,863	89,450,562	108,476,528
23,513,387	5,245,513		104,866,067	199,131,248	70,765,445
52,824,692	13,784,302		751,016,243	913,293,123	875,938,253
$ 52,912,213	$ 14,142,497	$ 2,961,904	$ 803,954,633	$ 1,024,808,270	$ 977,603,404

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General Fixed Assets Account Group

The General Fixed Assets Account Group accounts for fixed assets acquired for general governmental purposes. These include all fixed assets except those accounted for in the proprietary and fiduciary fund types.

State of Mississippi

General Fixed Assets

Schedule of General Fixed Assets by Function
June 30, 1987

Function	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
General government	$ 6,273,553	$ 56,467,390	$ 3,246,077	$ 16,764,836	$ 82,751,856
Education	198,960	8,788,143	851,512	97,190,180	107,028,795
Health and social services	876,628	91,612,079	7,218,481	50,634,253	150,341,441
Law, justice and public safety	4,278,039	127,803,419	8,378,495	32,504,921	172,964,874
Recreation and resources development	31,556,573	26,787,362	19,791,055	28,843,239	106,978,229
Regulation of business and professions		1,502,770	59,876	1,794,600	3,357,246
Transportation	2,823,748	12,838,062		61,565,243	77,227,053
Total General Fixed Assets Allocated to Functions	46,007,501	325,799,225	39,545,496	289,297,272	700,649,494
Construction in progress					16,387,030
Total General Fixed Assets					$ 717,036,524

State of Mississippi

General Fixed Assets

Schedule of Changes in General Fixed Assets
For the Year Ended June 30, 1987

	Balance July 1, 1986	Additions	Deletions	Balance June 30, 1987
Land	$ 46,005,694	$ 37,715	$ 35,908	$ 46,007,501
Buildings	288,947,204	39,201,262	2,349,241	325,799,225
Improvements other than buildings	36,190,380	3,368,776	13,660	39,545,496
Machinery and equipment	274,112,700	30,015,990	14,831,418	289,297,272
Construction in progress	35,777,335	20,524,023	39,914,328	16,387,030
Total	$ 681,033,313	$ 93,147,766	$ 57,144,555	$ 717,036,524

State of Mississippi

General Fixed Assets

Schedule of Changes in General Fixed Assets by Function
For the Year Ended June 30, 1987

	Balance July 1, 1986	Additions	Deletions	Balance June 30, 1987
General government	$ 78,336,396	$ 5,907,157	$ 1,491,697	$ 82,751,856
Education	99,430,134	9,893,516	2,294,855	107,028,795
Health and social services	143,641,700	8,967,343	2,267,602	150,341,441
Law, justice and public safety	136,045,211	41,098,495	4,178,832	172,964,874
Recreation and resources development	105,184,192	5,189,219	3,395,182	106,978,229
Regulation of business and professions	3,223,225	160,171	26,150	3,357,246
Transportation	79,395,120	1,407,842	3,575,909	77,227,053
Total by Function	645,255,978	72,623,743	17,230,227	700,649,494
Construction in progress	35,777,335	20,524,023	39,914,328	16,387,030
Total	$ 681,033,313	$ 93,147,766	$ 57,144,555	$ 717,036,524

General Long-term Obligations Account Group

The General Long-term Obligations Account Group accounts for the State's outstanding general obligation bonds, limited obligation bonds and other long-term obligations payable from governmental fund types.

Schedule of Changes in General Long-term Obligations For the Year Ended June 30, 1987

	General Obligation Notes	General Obligation Bonds	Limited Obligation Bonds	Accrued Compensated Absences	Capital Lease Obligations	Other Long-term Obligations	Total
Balance at July 1, 1986, as previously reported	$	$216,348,000	$209,071,155	$ 34,905,819	$ 2,412,786	$ 1,877,577	$464,615,337
Notes and bonds issued	11,669,000	12,200,000	2,485,000				26,354,000
Compensated absences earned				19,169,329			19,169,329
Decrease in lease obligations					(1,464,227)		(1,464,227)
Increase in accreted value of capital appreciation bonds			2,853,508				2,853,508
Increase in lease obligations					3,250,240		3,250,240
Principal retirements and other decreases		(35,513,000)	(6,305,000)			(1,152,694)	(42,970,694)
Compensated absences taken				(18,537,818)			(18,537,818)
Balance at June 30, 1987	$ 11,669,000	$193,035,000	$208,104,663	$ 35,537,330	$ 4,198,799	$ 724,883	$453,269,675

Statistical and Economic Data

The accompanying statistical tables of the State of Mississippi reflect social and economic data to allow a broader understanding of the environment in which the State operates, as well as historical perspectives and financial trends to assess the fiscal capacity of State government. Statistical tables differ from financial statements because they usually cover more than two fiscal years and present certain nonaccounting data.

Expenditures by Function

All Governmental Fund Types For the Last Ten Fiscal Years

(Expressed in Thousands)

Table I

Function	1987	1986	1985	1984
General government	$ 563,363	$ 518,401	$ 699,728	$ 512,673
Education	990,151	926,117	821,412	784,538
Health and social services	1,091,492	1,035,220	761,171	718,295
Law, justice and public safety	128,922	131,847	117,394	130,680
Recreation and resources development	71,187	71,824	56,533	73,553
Regulation of business and professions	11,691	11,991	11,673	10,828
Transportation	345,887	403,515	385,511	344,563
Debt service	70,856	83,729	66,058	66,278
Capital outlay	23,913	24,822	41,804	25,841
Total Expenditures - All Governmental Fund Types	$ 3,297,462	$ 3,207,466	$ 2,961,284	$ 2,667,249

Source: Fiscal Years 1978-1985 -- Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Years 1986-1987 -- Mississippi Comprehensive Annual Financial Report, GAAP Basis
Note: Governmental Fund Types are described in Note 1C of the Notes to the Financial Statements.

Revenues by Source

All Governmental Fund Types For the Last Ten Fiscal Years

(Expressed in Thousands)

Table II

Source	1987	1986	1985	1984
State taxes	$ 1,936,314	$ 1,914,287	$ 1,732,596	$ 1,704,152
Licenses, fees and permits	68,864	63,921	72,882	78,374
Interest on investments	40,643	48,005	41,670	34,241
Federal government	1,357,658	1,281,371	940,752	853,382
Departmental services	149,055	144,082	168,266	179,265
Other	53,997	82,901	178,580	141,080
Total Revenues - All Governmental Fund Types	$ 3,606,531	$ 3,534,567	$ 3,134,746	$ 2,990,494

Source: Fiscal Years 1978-1985 -- Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Years 1986-1987 -- Mississippi Comprehensive Annual Financial Report, GAAP Basis
Note: Governmental Fund Types are described in Note 1C of the Notes to the Financial Statements.

State Tax Revenues by Source

All Governmental Fund Types For the Last Ten Fiscal Years

(Expressed in Thousands)

Table III

Source	1987	1986	1985	1984
Sales and use	$ 1,028,554	$ 1,039,574	$ 932,159	$ 888,024
Gasoline	146,209	149,983	123,203	114,776
Motor fuel and privilege	32,564	33,512	32,267	29,139
Motor vehicle registration	16,638	15,999	11,734	11,089
Individual income	301,893	276,966	219,492	258,207
Alcoholic beverage	40,646	39,417	37,949	35,492
Corporate income and franchise	159,608	146,757	172,973	167,544
Severance	50,719	70,213	92,899	102,956
Inheritance	9,590	13,039	10,688	8,555
Tobacco	54,507	54,424	36,599	34,081
Insurance	72,592	69,236	54,969	49,818
Nuclear power	17,810			
Other	4,984	5,167	7,664	4,471
Total Tax Revenues - All Governmental Fund Types	$ 1,936,314	$ 1,914,287	$ 1,732,596	$ 1,704,152

Source: Fiscal Years 1978-1985 -- Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Years 1986-1987 -- Mississippi Comprehensive Annual Financial Report, GAAP Basis
Note: Governmental Fund Types are described in Note 1C of the Notes to the Financial Statements.

1983	1982	1981	1980	1979	1978
$ 468,592	$ 443,983	$ 366,236	$ 339,829	$ 314,038	$ 285,177
744,434	733,351	785,427	754,385	662,095	595,287
600,360	636,251	655,269	601,232	525,226	428,344
130,611	94,245	88,111	78,111	74,135	63,532
63,626	65,220	52,591	52,550	48,855	43,099
10,417	8,479	8,717	7,154	6,714	5,338
339,996	349,886	374,889	350,583	262,003	213,420
67,090	68,590	66,678	65,480	53,674	70,461
23,573	39,151	67,089	78,201	56,923	31,163
$ 2,448,699	$ 2,439,156	$ 2,465,007	$ 2,327,525	$ 2,003,663	$ 1,735,821

1983	1982	1981	1980	1979	1978
$ 1,476,277	$ 1,419,325	$ 1,376,129	$ 1,229,932	$ 1,131,629	$ 1,045,232
66,702	60,836	51,943	44,729	38,296	32,736
45,526	60,919	46,049	29,942	19,675	14,882
773,398	786,953	811,482	802,616	693,029	627,808
158,766	157,174	142,436	127,114	131,191	111,274
177,013	104,631	167,381	165,128	116,856	96,161
$ 2,697,682	$ 2,589,838	$ 2,595,420	$ 2,399,461	$ 2,130,676	$ 1,928,093

1983	1982	1981	1980	1979	1978
$ 761,866	$ 767,460	$ 724,493	$ 671,910	$ 604,185	$ 546,194
113,541	94,967	112,333	121,324	120,752	137,273
27,388	26,888	21,408	19,189	17,900	16,628
10,238	10,000	10,050	9,598	9,295	8,484
197,188	167,783	200,145	149,948	153,079	131,105
35,953	36,302	34,795	32,554	34,011	28,560
110,449	106,480	95,743	89,057	79,896	72,288
114,627	117,013	87,886	52,515	32,923	27,559
8,043	6,587	6,053	6,006	4,615	5,298
35,067	35,074	34,510	33,231	32,300	32,044
57,468	42,256	39,923	36,872	34,515	31,403
4,449	8,515	8,790	7,728	8,158	8,396
$ 1,476,277	$ 1,419,325	$ 1,376,129	$ 1,229,932	$ 1,131,629	$ 1,045,232

Net General Long-term Bonded Debt Per capita

For the Last Ten Fiscal Years **Table IV**
(Expressed in Thousands Except Per capita Data)

Fiscal year	Population	General Long-term Bonded Debt			Net General Long-term Debt Per capita
		Principal Outstanding	Less: Debt Service Fund	Net	
1987	2,640	$ 412,809	$ 158,121	$ 254,688	$ 96
1986	2,625	425,419	172,626	252,793	96
1985	2,613	718,578	218,762	499,816	191
1984	2,598	745,133	181,258	563,875	217
1983	2,581	763,782	151,905	611,877	237
1982	2,569	782,421	117,880	664,541	259
1981	2,548	774,558	91,339	683,219	268
1980	2,523	774,984	64,098	710,886	282
1979	2,508	786,228	46,288	739,940	295
1978	2,488	764,791	20,978	743,813	299

Source: Population at December 31 - Mississippi Research and Development Center
General Long-term Bonded Debt -- State Treasurer
Debt Service Funds Available -- Fiscal Years 1978-1985 -- Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Years 1986-1987 -- Mississippi Comprehensive Annual Financial Report, GAAP Basis

Notes:

1. Total general long-term bonded debt and notes include limited obligation bonds payable from specific General Fund (GAAP Basis) revenues; it excludes general obligation bonds payable from enterprise and university funds.

2. Debt service fund represents monies designated for retirement of general long-term bonded debt for fiscal years 1977-1985 and represents designated general and debt service fund balances as reflected in the Mississippi Comprehensive Annual Financial Report, GAAP Basis, for fiscal years 1986-1987.

Ratio of Annual Debt Service for General Long-term Bonded Debt to Total Revenues and Expenditures

For the Last Ten Fiscal Years **Table V**
(Expressed in Thousands Except Ratio Data)

Fiscal Year	Total Debt Service	Revenues	Ratio	Expenditures	Ratio
1987	$ 70,856	$ 3,606,531	2.0	$ 3,297,462	2.1
1986	83,729	3,534,567	2.4	3,207,466	2.6
1985	66,058	3,134,746	2.1	2,961,284	2.2
1984	66,278	2,990,494	2.2	2,667,249	2.5
1983	67,090	2,697,682	2.5	2,448,699	2.7
1982	68,590	2,589,838	2.6	2,439,156	2.8
1981	66,678	2,595,420	2.6	2,465,007	2.7
1980	65,480	2,399,461	2.7	2,327,525	2.8
1979	53,674	2,130,676	2.5	2,003,663	2.7
1978	70,461	1,928,093	3.7	1,735,821	4.1

Source: Total Debt Service, Revenues and Expenditures -- Fiscal Years 1978-1985 -- Cash Basis Records of State of Mississippi, Department of Public Accounts
Fiscal Years 1986-1987 -- Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Total debt service represents principal and interest paid on general and limited obligation bonds.

Computation of Legal Debt Margin

June 30, 1987
(Expressed in Thousands)

Table VI

Legal debt limit (1 1/2 times revenue collected during any one of the four preceding years, whichever is higher) (1)	$	$ 3,324,887
Amount of debt applicable to debt limit (2)	412,809	
Less: amounts available in debt service funds	158,121	
Net amount of debt applicable to debt limit		254,688
Legal Debt Margin		$ 3,070,199

Notes:

1. The State's constitutional debt limit is established under Section 115 of the Mississippi Constitution at one and one-half times the sum of all revenues collected by the State during any one of the four preceding fiscal years, whichever may be higher. Revenues included in the foregoing debt limitation computation are restricted by current practice to the following governmental fund revenues: taxes, licenses, fees and permits, investment income, rental income, service charges (including net income from the sale of alcoholic beverages), fines, forfeits, and penalties. Defined revenues for the four preceding years were:

Fiscal Year	Applicable Governmental Fund Revenues
1986	$ 2,216,591
1985	2,150,414
1984	2,025,444
1983	1,787,113

2. The legal debt limit applies to total general long-term bonded debt, which includes limited obligation bonds payable from specific General Fund revenues and excludes general obligation bonds payable from enterprise and university funds.

Revenue Bond Coverage

For the Last Five Fiscal Years

Table VII

MISSISSIPPI HOUSING FINANCE CORPORATION

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage(1)
1987	$76,594,306	$ 2,086,464	$ 74,507,842	$ 33,445,500	$ 69,300,520	$ 102,746,020	.73
1986	61,294,148	1,097,151	60,196,997	11,940,182	53,820,543	65,760,725	.92
1985	41,992,150	739,397	41,252,753	62,035,000	35,660,308	97,695,308	.42
1984	32,549,034	537,156	32,011,878	1,975,000	30,151,984	32,126,984	1.00
1983	16,352,995	417,622	15,935,373		14,019,496	14,019,496	1.14

MISSISSIPPI HOSPITAL EQUIPMENT FINANCING AUTHORITY

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage(1)
1987	$ 4,634,377	$ 686,178	$ 3,948,199	$ 3,795,000	$ 3,425,714	$ 7,220,714	.55
1986	2,310,228	260,301	2,049,927		1,948,188	1,948,188	1.05
1985(2)	2,266,294	267,173	1,999,121		1,856,190	1,856,190	1.08

Notes:

1. Under Mississippi Housing Finance Corporation's bond resolutions, investments and scheduled amounts of principal installments, including anticipated mortgage loan prepayments, are pledged to satisfy debt service requirements not covered by gross revenues; therefore, the State is not in default on any outstanding bonds.
2. Revenue bonds were issued by Mississippi Hospital Equipment Financing Authority during fiscal year 1985.

Demographic Statistics

For the Last Ten Calendar Years **Table VIII**

Calendar Year	Population (In Thousands)	Per capita Income (Current $)	Median Age	Public School Enrollment	Unemployment Rate
1987 (Est.)	2,640	$ 10,088	*	498,639	10.3%
1986	2,625	9,551	30.4	459,631	11.7
1985	2,613	9,183	30.0	459,049	10.3
1984	2,598	8,857	29.7	461,272	10.8
1983	2,581	8,235	29.3	462,581	12.6
1982	2,569	7,903	29.0	466,521	11.0
1981	2,548	7,529	28.6	472,304	8.3
1980	2,523	6,825	28.1	482,041	7.4
1979	2,508	6,368	27.8	491,440	5.8
1978	2,488	5,680	27.4	500,014	7.1

Source: Population -- Mississippi Research and Development Center
Per capita Income -- Mississippi Research and Development Center
Median Age -- Sales and Marketing Management, Survey of Buying Power, 1979-1987
Public Schools -- Kindergarten - Grade 12 -- Academic Year -- Mississippi State Department of Education
Unemployment Rate -- Mississippi Employment Security Commission

* Not available

Economic Characteristics

For the Last Ten Calendar Years **Table IX**

(Expressed in Millions)

Calendar year	Gross State Product (Current $)	Gross State Product (Inflation-Adjusted $)	Personal Income (Current $)	Personal Income (Inflation-Adjusted $)	Disposable Personal Income (Current $)
1987 (Est.)	$ 29,812	$ 25,754	$ 26,633	$ 22,400	$ 23,888
1986	28,396	25,408	25,072	21,955	22,512
1985	27,497	25,094	24,004	21,509	21,550
1984	26,748	24,813	23,010	21,525	20,650
1983	24,832	23,837	21,258	20,519	18,776
1982	23,919	23,919	20,303	20,303	17,906
1981	23,422	24,700	19,185	20,259	16,513
1980	21,233	24,467	17,217	19,812	14,869
1979	20,170	25,195	15,970	20,266	13,759
1978	18,098	24,385	14,133	19,548	12,561

Source: Mississippi Research and Development Center

Mississippi Gross State Product by Sector

(Expressed in Millions of Current Dollars)

Table X

Sector of Employment	Calendar Year 1987 (Est.)	 1982	 1977	Sector as Percentage of 1987 Growth Rate
Manufacturing	$ 9,554	$ 7,825	$ 5,619	4.8%
Construction	1,045	1,252	804	(.9)
Mining	594	1,110	382	7.3
Trade	4,796	3,341	2,295	6.3
Services	3,280	2,354	1,427	4.3
Finance, insurance and real estate	3,499	2,396	1,564	5.3
Transportation, communication and utilities	2,488	1,850	1,082	5.3
Federal, state and local government	3,505	2,670	1,717	4.6
Agriculture	1,051	1,121	1,033	7.7
Total Gross State Product	$ 29,812	$ 23,919	$ 15,923	5.0

Source: Mississippi Research and Development Center

Mississippi Average Annual Wage by Sector

Table XI

Sector of Employment	Calendar Year 1986	 1981	 1976	Percentage Increase from 1976 to 1986
Manufacturing	$ 17,388	$ 13,596	$ 8,757	99%
Construction	15,863	15,929	9,621	65
Mining	23,668	20,653	11,686	103
Trade	11,713	10,058	6,976	68
Services	14,045	10,791	7,191	95
Finance, insurance and real estate	18,175	13,700	9,098	100
Transportation, communication and utilities	21,949	17,466	11,149	97
Federal government	23,358	19,242	13,122	78
State and local government	14,378	10,956	8,881	62
Agriculture	10,700	8,989	7,710	39
Statewide Average Annual Wage	15,146	12,321	8,286	83

Source: Mississippi Employment Security Commission
Covered Employment & Wages

Bank Deposits, Retail Sales, Median Household Disposable Income

For the Last Ten Calendar Years **Table XII**
(Expressed in Thousands Except Median Income)

Calendar Year	Bank Deposits	Retail Sales	Individual IRS Collections	Median Household Disposable (Aftertax) Income
1986	$ 15,106,582	$ 16,202,000	$ 2,648,968	$ 17,111
1985	14,376,524	15,482,000	2,455,643	16,448
1984	13,383,748	14,052,000	2,284,784	18,099
1983	12,612,905	14,558,600	2,211,118	17,020
1982	11,571,314	14,886,800	2,528,495	16,019
1981	10,806,099	14,311,200	1,994,670	14,066
1980	9,796,932	13,343,600	1,718,718	13,387
1979	9,183,276	12,028,700	1,509,270	12,776
1978	8,312,771	10,590,000	1,264,367	11,991
1977	7,350,950	9,160,400	1,115,105	11,038

Source: Bank Deposits -- Department of Banking and Consumer Finance
Retail Sales -- Mississippi Research and Development Center
Individual IRS Collections -- Internal Revenue Service
Median Household Disposable (Aftertax) Income -- Sales and Marketing Management, Survey of Buying Power, 1978-1987

Population and Employment

For the Last Ten Calendar Years **Table XIII**
(Expressed in Thousands Except Unemployment Rate)

	1987 (Est.)	1986	1985	1984	1983	1982	1981	1980	1979	1978
Population	2,640	2,625	2,613	2,598	2,581	2,569	2,548	2,523	2,508	2,488
Employed	1,037	1,027	1,013	958	929	947	971	982	965	935
Unemployed	119	136	116	116	134	117	88	79	59	71
Total Labor Force	1,156	1,163	1,129	1,074	1,063	1,064	1,059	1,061	1,024	1,006
Mississippi Unemployment Rate	10.3%	11.7%	10.3%	10.8%	12.6%	11.0%	8.3%	7.4%	5.8%	7.1%
U.S. Unemployment Rate	6.4%	7.0%	7.2%	7.5%	9.6%	9.7%	7.6%	7.1%	5.8%	6.1%

Source: Population -- Mississippi Research and Development Center
Employed, Unemployed, Mississippi Unemployment Rate, U.S. Unemployment Rate, Calendar Years 1978-1986 -- Mississippi Employment Security Commission
Employed, Unemployed -- Calendar Year 1987 -- Mississippi Research and Development Center

Principal Industrial Employers

(Ranked by Number of Employees)

Table XIV

Company	Number of Plants	Number of Employees
Litton Industries	1	10,000
Mohasco Corporation	6	3,667
Georgia-Pacific Corporation	17	2,623
International Paper Company	5	2,601
General Motors Corporation	4	2,290
Emerson Electric Company	3	2,009
Movie Star, Incorporated	12	1,924
I. C. Isaacs and Company, Inc.	4	1,820
Kellwood Corporation	6	1,746
Sara Lee Corporation	2	1,726
United Technologies Corporation	1	1,650
Garan Incorporated	7	1,606
Delta Catfish Processors, Inc.	3	1,600
Bench Craft, Inc.	6	1,542
Action Industries, Inc.	2	1,535
Mason & Hanger - Silas Mason Company, Inc.	1	1,500
Peavey Electronics Corporation	3	1,490
Universal Manufacturing Corporation	3	1,480
Masonite Corporation	3	1,360
B. C. Rogers Poultry, Inc.	4	1,320
Lennox Industries	1	1,300
Red Cap Industries	7	1,299
Croft Metals, Inc.	2	1,250
Prentiss Manufacturing Company	4	1,235
McCarty Farms, Inc.	5	1,208

Source: Mississippi Research and Development Center
1988 Mississippi Manufacturers' Directory

Public School Enrollment

For the Last Ten Academic Years

Table XV

Academic Year	Kindergarten	Grades 1-3	Grades 4-6	Grades 7-9	Grades 10-12	Special Education	Total Enrollment
1986-1987	33,528	126,979	113,913	114,715	98,719	10,785	498,639
1985-1986	*	125,069	109,173	118,579	96,675	10,135	459,631
1984-1985	*	122,053	109,065	122,896	95,537	9,498	459,049
1983-1984	*	120,601	110,119	125,175	96,911	8,466	461,272
1982-1983	*	116,044	114,975	125,046	98,720	7,796	462,581
1981-1982	*	115,580	119,551	122,844	100,986	7,560	466,521
1980-1981	*	115,279	122,113	124,009	103,507	7,396	472,304
1979-1980	*	120,244	122,018	127,640	105,093	7,046	482,041
1978-1979	*	124,952	119,966	132,733	106,504	7,285	491,440
1977-1978	*	128,208	119,622	136,785	106,732	8,667	500,014

Source: Mississippi State Department of Education

* The Education Reform Act of 1982 requires public kindergartens beginning with the 1986/1987 academic year.

Full-time Equivalent Student Enrollment — Junior Colleges

For the Last Ten Academic Years

Table XVI

Junior College	1986/1987	1985/1986	1984/1985	1983/1984
Coahoma Junior College	1,649	1,559	1,308	1,967
Copiah-Lincoln Junior College	1,931	1,783	1,926	1,996
East Central Junior College	1,207	1,175	1,135	1,044
East Mississippi Junior College	1,251	1,010	1,010	991
Gulf Coast Junior College	7,600	7,086	7,230	7,732
Hinds Junior College	8,374	7,221	7,672	8,300
Holmes Junior College	1,592	1,174	922	1,212
Itawamba Junior College	2,951	2,821	2,970	2,933
Jones Junior College	2,899	2,551	2,710	2,761
Meridian Junior College	2,058	2,903	3,025	3,223
Mississippi Delta Junior College	2,403	2,126	2,204	2,174
Northeast Mississippi Junior College	2,965	3,117	2,749	2,731
Northwest Mississippi Junior College	3,180	3,994	3,603	4,845
Pearl River Junior College	2,559	2,167	2,366	2,366
Southwest Mississippi Junior College	1,268	1,220	1,242	1,345
Utica Junior College	*	*	*	*
Total Junior Colleges	43,887	41,907	42,072	45,620

Source: Mississippi State Department of Education

* Hinds and Utica Organized Into a Unitary District

Full-time Equivalent on Campus Student Enrollment — Universities

For the Last Ten Academic Years

Table XVII

University	1986/1987	1985/1986	1984/1985	1983/1984
Alcorn State University	2,247	2,285	2,199	2,375
Delta State University	2,842	2,627	2,892	2,841
Jackson State University	5,542	5,689	5,419	5,576
Mississippi University for Women	1,443	1,591	1,688	1,798
Mississippi State University	10,481	10,812	10,818	11,378
Mississippi Valley State University	1,953	2,080	2,280	2,445
University of Mississippi	8,439	8,393	8,100	8,554
University of Southern Mississippi	10,004	9,987	10,186	10,276
Total Universities	42,951	43,464	43,582	45,243
University of Mississippi Medical School	1,508	1,638	1,737	1,759

Source: Board of Trustees of State Institutions of Higher Learning, State of Mississippi

1982/1983	1981/1982	1980/1981	1979/1980	1978/1979	1977/1978
2,043	1,895	1,805	1,830	1,579	1,568
1,956	1,728	1,948	1,756	1,733	1,603
883	792	770	857	787	1,002
1,220	1,222	1,216	1,122	1,344	1,050
6,912	7,143	6,666	5,936	6,066	5,848
8,848	6,827	6,590	6,211	6,009	6,097
1,263	1,212	1,311	1,203	1,169	1,312
3,585	3,391	3,401	3,288	2,772	2,607
2,730	2,624	2,638	2,700	2,869	2,877
3,141	3,050	2,799	2,513	2,396	2,543
2,357	2,233	2,162	1,976	1,956	2,023
2,895	2,645	2,542	2,249	1,975	2,019
4,494	4,100	3,845	3,448	3,332	3,313
2,418	2,699	2,599	2,525	2,033	2,110
1,323	1,259	1,184	1,176	1,236	1,176
*	1,301	1,282	1,389	1,097	1,248
46,068	44,121	42,758	40,179	38,353	38,396

1982/1983	1981/1982	1980/1981	1979/1980	1978/1979	1977/1978
2,277	2,241	2,208	1,942	2,108	2,578
2,701	2,604	2,558	2,465	2,265	2,356
5,756	6,156	6,035	6,622	6,666	6,876
1,516	1,600	1,772	1,973	2,234	2,387
11,172	10,714	10,555	10,530	10,367	10,527
2,092	2,353	2,421	2,609	2,745	2,769
8,818	8,927	8,944	9,040	9,080	8,948
9,870	9,503	9,245	9,079	8,614	9,064
44,202	44,098	43,738	44,260	44,079	45,505
1,733	1,680	1,617	1,512	1,498	1,471